**QIAN HU CORPORATION LIMITED**
COMPANY REGISTRATION NO.: 199806124N
No. 71 Jalan Lekar Singapore 698950
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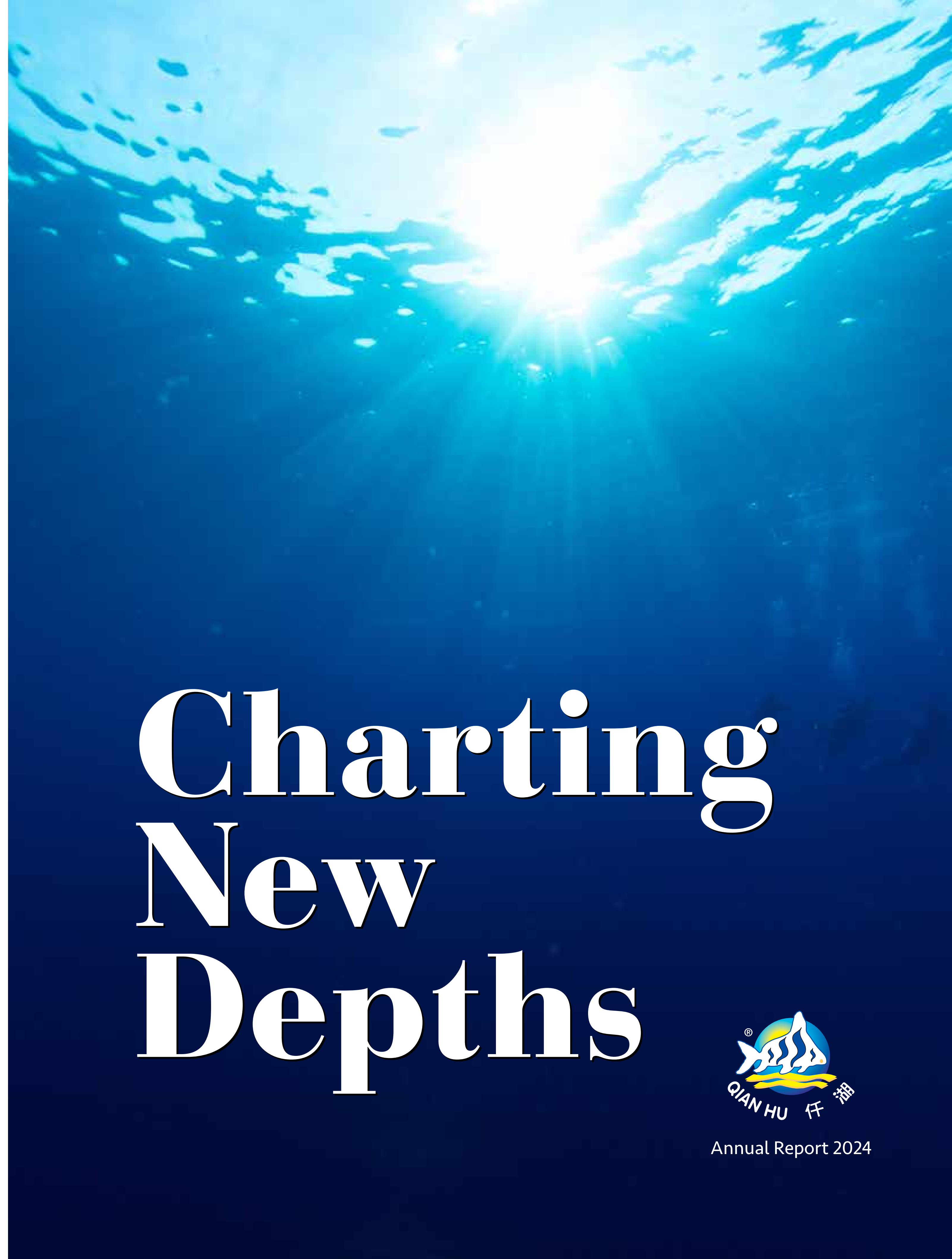
QIAN HU CORPORATION LIMITED ANNUAL REPORT 2024



# Charting New Depths

Annual Report 2024

# VISION

1. To be the world's biggest Ornamental Fish exporter.
2. To establish our "**Ocean Free**" and "**OF**" brands as the most recognisable amongst aquarium Accessories brands in Asia.
3. To be an innovative technology company.
4. To produce antibiotic-free, sustainable Aquaculture products for the benefit of our consumers and the environment.

# MISSION

By focusing on technology, innovation and quality, we aspire to be the world's most value-adding and productive provider of sustainable Aquaculture products, Ornamental Fish and aquarium and pet Accessories.

# Charting New Depths

We hold an unwavering commitment to explore untapped opportunities and pursue innovation in challenging times. As a new chapter is turned in our history, Qian Hu is determined to delve deeper into strategic growth areas and emerge stronger in a rapidly evolving industry landscape. Our focus is on deepening our expertise, expanding our market presence and strengthening partnerships to create sustainable value for our stakeholders.

## Contents

# Our Profile

For over three decades, Qian Hu has honed its reputation as a trusted expert in aquatic and pet-care solutions. From a humble fish farm in 1988, we have grown our global presence to span 80 cities and countries, while staying true to our roots of relentless improvement in breeding, fish care and product development.

Today, our multi-faceted business ecosystem thrives on innovation, technology and sustainability. As a pioneer in breeding, farming and distribution of Ornamental Fish, Qian Hu has earned the trust of fish lovers worldwide. Our emphasis on precision and innovation ensures that every fish we cultivate meets the highest standards.

Our aquarium and pet Accessories – endorsed by hobbyists and enthusiasts worldwide – are thoughtfully designed to elevate the fishkeeping and pet care experience.

In Aquaculture, we continue to amplify our efforts with farms in Wenchang, China and Malaysia. By enhancing breeding techniques and increasing the supply of antibiotic-free edible fish fingerlings, we aim to play a key role in meeting the growing demand for sustainable seafood.

At the same time, our Plastics division is evolving to meet the demands of a changing world. While continuing to produce essential packaging solutions for healthcare, waste management and hospitality, we will explore new segments such as biodegradable plastics to drive the next phase of sustainable growth.

As an SGX-listed company since 2000, Qian Hu remains a trusted name in corporate governance, transparency and reporting. With an eye on the future, we will continue to innovate, challenge conventions and set new benchmarks across our businesses.

**36%** of Group Revenue

## Singapore

- Our home market
- Extensive global distribution network and established domestic customer base
- Leading Ornamental Fish and aquarium Accessories distributor

**44%** of Group Revenue

## Asia

- Incorporated subsidiaries in Malaysia, China, Thailand and Indonesia as export hubs and domestic distributors
- More than 69 distribution points across various cities in China
- Other major customers' presence in India, Japan, Philippines, Taiwan, Korea and the Middle East countries
- Biggest Ornamental Fish distributor in Thailand

**7%** of Group Revenue

## Europe

- Exporting from our five export hubs in Asia to major customers in Germany, United Kingdom, France, Spain and the Netherlands

**13%** of Group Revenue

## Rest of the World

- Growth in revenue contribution from the USA, Canada and Australia




**Exports ornamental fish to more than**

**80**

**cities and countries**

**Exports aquarium and pet accessories to**

**40**

**cities and countries**

# Corporate Information

**BOARD OF DIRECTORS**

**Executive Chairman**
Kenny Yap Kim Lee
*(Retired on 31 December 2024)*

**Executive Chairman and Chief Executive Officer**
Yap Kok Cheng
*(Redesignated from 1 January 2025 as Executive Chairman and Chief Executive Officer)*

**Members**
Soong Wee Choo
*Lead Independent Non-Executive Director*

Ling Kai Huat
*Independent Non-Executive Director*

Chew Mok Lee
*Independent Non-Executive Director*

**COMPANY SECRETARIES**

Lai Chin Yee
Fellow Chartered Accountant of Singapore

Nor Hafiza Alwi
Fellow of the Chartered Secretaries Institute of Singapore

**BOARD COMMITTEES**

**Audit & Risk Management Committee**

**Chairman**
Soong Wee Choo

**Members**
Ling Kai Huat
Chew Mok Lee

**Nominating Committee**

**Chairman**
Chew Mok Lee

**Members**
Soong Wee Choo
Ling Kai Huat

**Remuneration Committee**

**Chairman**
Ling Kai Huat

**Members**
Soong Wee Choo
Chew Mok Lee

**PRINCIPAL BANKERS**

DBS Bank Ltd

Oversea-Chinese Banking Corporation Limited

United Overseas Bank Limited

**OTHER CORPORATE INFORMATION**

**Registered Office**
No. 71 Jalan Lekar
Singapore 698950
Tel: (65) 6766 7087
Fax: (65) 6766 3995
Website: www.qianhu.com

**Auditors**
KPMG LLP
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961

Partner-in-charge
Tan Khai Boon
(Appointed in financial year 2022)

**Share Registrar**
B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

**Investor Relations**
Yap Kok Cheng
kokcheng@qianhu.com

Ho See Kim
seekim@tishrei.sg

**Stock Data**
Counter name: Qian Hu

SGX code: BCV

Bloomberg code: QIAN:SP



# Group Structure

**DIVISIONS**

**Qian Hu Fish Farm Trading**

**Yi Hu Fish Farm Trading**

**Wan Hu Fish Farm Trading**

**SUBSIDIARIES**

## Singapore

**100%**
**Qian Hu Tat Leng Plastic Pte. Ltd.**
2 Woodlands Sector 1
#03-35 Woodlands Spectrum 1
Singapore 738068

## Malaysia

**100%**
**Qian Hu Aquarium and Pets (M) Sdn. Bhd.**
Block E, Lot 6212
Kampung Baru Balakong
43300 Balakong
Selangor, Malaysia

**100%**
**Qian Hu The Pet Family (M) Sdn. Bhd.**
Block E, Lot 6212
Kampung Baru Balakong
43300 Balakong
Selangor, Malaysia

**100%**
**Qian Hu Development Sdn. Bhd.**
Block E, Lot 6212
Kampung Baru Balakong
43300 Balakong
Selangor, Malaysia

**70%**
**Qian Hu Aquaculture (M) Sdn. Bhd.**
Block E, Lot 6212
Kampung Baru Balakong
43300 Balakong
Selangor, Malaysia

## China

**100%**
**Beijing Qian Hu Aquarium and Pets Co., Ltd**
北京市朝阳区金盏乡
北马房东鱼场
Dong Fish Farm
Bei Ma Fang Village, Jinzhang Town
Chao Yang District
Beijing, China

**100%**
**Guangzhou Qian Hu OF Feed Co., Ltd**
广州市花都区炭步镇汽车城
东风大道12号
No.12, Dongfeng Road
Qichecheng Tanbu Town
Huadu District
Guangzhou, China

**100%**
**Guangzhou Qian Hu Aquarium and Pets Co., Ltd**
广州市花都区炭步镇汽车城
东风大道12号
No.12, Dongfeng Road
Qichecheng Tanbu Town
Huadu District
Guangzhou, China

**100%**
**Guangzhou Qian Hu Aquarium & Pets Accessories Manufacturing Co., Ltd**
广州市花都区炭步镇汽车城
东风大道12号
No.12, Dongfeng Road
Qichecheng Tanbu Town
Huadu District
Guangzhou, China

**100%**
**Qian Hu Aquaculture (Hainan) Co., Ltd**
海南省文昌市会文镇
烟墩文园村
Yan Dun Wen Yuan Village
Hui Wen Town
Wen Chang City
Hainan, China

## Thailand

**74%**
**Qian Hu Marketing Co., Ltd.**
82/2 Moo 11, Phahonyothin Road
Khlongnueng Khlongluang
Pathumthani 12120 Thailand

**60%**
**Thai Qian Hu Company Limited**
30/25 Moo 8
Khlongnueng Khlongluang
Pathumthani 12120 Thailand

**60%**
**Advance Aquatic Co., Ltd.**
30/24 Moo 8
Khlongnueng Khlongluang
Pathumthani 12120 Thailand

**49%**
**NNTL (Thailand) Limited**
942/56 Charn Issara Tower
2nd Fl. Rama 4 Road
Suriyawonge Sub-district
Bangrak District
Bangkok 10500 Thailand
*(The Group has voting control at general meeting and Board meetings)*

## Indonesia

**97.25%**
**P.T. Qian Hu Joe Aquatic Indonesia**
JL. Raya Brantamulya Tengsaw
No. 9 Tarik Kolot Kecamatan
Citeureup Bogor
Indonesia 16810

# Adapting With Change

As we evolve and adapt, we will harness the power of change and transformation to redefine our future.

# Letter from the Chairman

**Dear Shareholders,**

## 2024 was a year marked by steady progress, strategic growth and relentless innovation across Qian Hu's key business segments.

With a sharpened focus and resolve, we have intensified efforts across our business units and expanded into new markets, while leveraging innovation for sustained growth. This builds on our strong foundation, signalling a fresh chapter in our leadership as I take on the new role of Chairman this year while I continue to steer Qian Hu as CEO.

### EXPANDING STRATEGICALLY IN KEY MARKETS

With our established presence in China, Malaysia and Thailand, we plan to grow our position as a regional aquaculture player to capture the growing demand for the highly popular Marble Goby fish and other antibiotic-free edible seafood products.

This year, we expanded our aquaculture footprint in the region by incorporating a 70%-owned subsidiary, Qian Hu Aquaculture (M) Sdn. Bhd. – to focus on farming and distributing of aquaculture products in Malaysia. In addition to our current farm in the Hainan Province which farms Humpback Groupers, Coral Trout and Marble Goby, our new Malaysian venture is well positioned to supply Marble Goby to the growing banquet and restaurant sectors in this region.

Given that it takes one year for the Marble Goby to grow to full table size, we have also started the spawning process at our Thailand farm to further increase the Group's supply. We expect these new ventures will boost our market penetration efforts by broadening our distribution network. Meanwhile, we continue to work with our contract farming partners in Malaysia to produce Vannamei shrimp.

We have also identified the pet accessories segment as a key growth pillar and are turning our attention to Indonesia as a market with huge potential in this segment. This is fuelled mainly by an increasing pet ownership rate leading to rising demand for premium pet products and services, spurred by the growing trend of pet cafes and pet-friendly establishments, as well as higher disposable income of the Indonesian middle-class. As such, we are in the process of establishing a new pet distribution arm there to capitalise on this trend, as part of our strategy to bring our pet accessories products to such larger and more diverse markets in the coming years.

Furthermore, we have acquired a 3,800 square-meter freehold property in Selangor, Malaysia to consolidate our wholesale and distribution operations from our current leasehold premises. This acquisition aligns with our longer-term plans to expand our pet accessories business in Malaysia. We expect this acquisition to allow greater control over our commercial space and potential long-term cost savings, further enhancing our operational synergies and improving overall efficiencies.



> **" As we chart these new depths, we do so with a focus on building a more sustainable, resilient and innovative business by staying true to R&D, financial discipline and environmental responsibility. "**

### STRENGTHENING CORE OPERATIONS AND FINANCIALS

Our mainstay, the Ornamental Fish segment, has performed steadily despite challenging market conditions. Europe, one of our largest markets, has been impacted by rising costs due to the ongoing geopolitical conflicts, affecting consumer spending and confidence. In contrast, demand in Asia remains relatively stable.

Sales of ornamental fish saw stable growth this year, primarily driven by basic varieties such as goldfish, tetras, platy and gourami. In particular, we are seeing this shift in consumer preferences especially in larger markets such as Europe, USA, Japan and Australia.

We are armed and ready to explore new possibilities in this sector, having expanded on our use of the land-based Aqua-Ring Technology ("ART") systems, with 8 additional sets added to our arsenal this year. We intend to scale up our efforts to breed new varieties of ornamental fish in Singapore and further enhance our production capacity. Meanwhile, we continue to produce premium Arowana such as the Albino Asian varieties.

This year, Qian Hu has laid the groundwork for new offerings and the pursuit of fresh growth opportunities that will allow us to penetrate key markets such as Malaysia and Indonesia. Even as we shore up efforts to seek out new depths of opportunity, we remain committed to maintaining a solid financial foundation.

Over the past years, we have substantially pared down our bank borrowings from the height of $18.5 million to $4.5 million. As at 31 December 2024, the Group is in a strong cash position with $14.6 million in cash and cash equivalents. This prudent approach allows us to shore up our war chest and to pursue new growth opportunities with confidence.

### NURTURING GROWTH THROUGH PIONEERING AGRI-TECHNOLOGY SOLUTIONS

Our vision for the future is grounded in sustainability and innovation. From water sustainability initiatives to exploring artificial intelligence, we are committed to embedding these principles in every facet of our operations.

Using a land-based tank with zero discharge such as the ART system is ideal for our intensive breeding of freshwater and marine species, offering improved biosecurity and resilience against climate-related risks. Through strategic partnerships such as with AquaEasy Pte Ltd, Qian Hu deploys AI and IoT-based solutions to optimise aquaculture farming, enhancing productivity and reducing costs. These initiatives, including the growing adoption of AquaEasy's solutions in Malaysia, Thailand and upcoming plans for China, support our expansion and sustainability goals while contributing to Singapore's "30 by 30" food security target.

This year, we are thrilled to be teaming up with N&E Innovations Pte Ltd, a Singapore-based bio-tech company with a track record of turning ideas into impactful solutions. Together, we are reimagining possibilities in pet care by harnessing the power of antimicrobial technology ("AMT") – a biodegradable, food-based solution derived from fruit waste. Unlike conventional agents such as nano silver, sodium bicarbonate and alcohol which can irritate pets' skin and harm the planet, AMT is not only biodegradable but is also approved for human consumption. In the coming year, we plan to launch an AMT-based pet product line comprising of cat litters, wet wipes, anti-odour sprays and other related products using this sustainable technology.

Beyond this, we also see immense potential to expand the AMT into other business areas, such as biodegradable plastic materials used for food packaging – further embedding sustainability into everything we do.

As we chart these new depths, we do so with a focus on building a more sustainable, resilient and innovative business by staying true to R&D, financial discipline and environmental responsibility. With these strategic plans in place, we are confident that Qian Hu's next chapter will be marked by new opportunities and greater growth.

### APPRECIATING OUR VALUED TEAM & STAKEHOLDERS

Resilience is truly a good representation of the endearing spirit we have shown in the past two decades. It shows our ability to recover in difficult times and look ahead towards our goals and vision as we explore fresh frontiers in 2025 and beyond.

Our team has worked extremely hard in navigating Qian Hu through a challenging but rewarding year. I would like to extend my heartfelt appreciation to the Board of Directors, our Advisor, Mr Kenny Yap, who has agreed to stay on the Board to offer invaluable guidance and strategic input as a founding member of Qian Hu; as well as our business partners, customers, employees and stakeholders. Your steadfast support has been instrumental in positioning Qian Hu for the next lap.

Thank you for your continued belief as we set out on the next phase of this exciting journey together!

**YAP KOK CHENG**
Executive Chairman and
Chief Executive Officer

# 主席的话

**各位股东们：**

## 2024年是仟湖各主要业务稳步发展、部署增长和不懈创新的一年。

在更加明确的目标和决心下，我们加强了各业务部门的投入，全力拓展新市场，并通过创新实践可持续性增长。在这坚实的基础上，集团也开启了领导层的新篇章。我已于2025年1月接棒仟湖的执行主席一职，也同时继续担任其首席执行长，带领集团前行。

### 在关键市场扩张策略

在中国、马来西亚和泰国已奠定的基础上，我们计划进一步巩固仟湖作为区域性水产养殖企业的地位，以掌握市场对广受欢迎的笋壳鱼及其他无抗生素食用水产品日益增加的需求。

2024年2月，我们扩大了集团在区域内水产养殖的版图，成立了一家持有70%的子公司——仟湖水产(马来西亚)有限公司，专注于马来西亚的水产养殖和产品分销业务。除了我们现有位于中国海南省的水产养殖场(主要养殖老鼠斑、东星斑及笋壳鱼)，我们的马来西亚新业务将会致力于为本地区不断增长的宴会和餐饮行业供应笋壳鱼。

考虑到笋壳鱼需一年时间才能长至一般适宜餐馆食用的大小，我们亦启动了集团于泰国的养殖场加入养殖流程，已进一步增加笋壳鱼的供应能力。我们相信，这些新举措将能进一步扩大我们现有的分销网络，进而提高我们的市场渗透率。我们也会继续与马来西亚的养殖合作伙伴配合生产南美白对虾。

同时，我们更将宠物用品业务确定为关键增长支柱，并将目光投向了印度尼西亚这一蕴藏着巨大发展潜力的市场。这主要基于印度尼西亚的宠物拥有率不断提升，导致宠物咖啡馆和宠物友好型场所的兴起、加上中产阶级可支配收入的增加等因素，推动了高端宠物产品及服务需求的上升。因此，我们目前正着手在印度尼西亚设立一个新的宠物用品分销部门，以便充分抓住这一趋势，作为我们将宠物产品推向更大、更多元市场策略的一部分。

此外，我们还在马来西亚雪兰莪州收购了一处占地3,800平方米的永久产权物业，以整合我们目前采用租赁物业所经营的批发和分销业务。此项收购符合了我们在马来西亚扩大宠物用品业务的长期规划。我们预计这一收购将有助我们更好地控制商用空间，在实现潜在的长期成本节约的同时，进一步增强运营协同效应并提升整体效率。

### 强化核心运营与财务基础

我们的核心业务——观赏鱼板块在市场条件严峻的情况下依然表现平稳。欧洲作为我们最大的市场之一，受持续的地缘政治冲突导致成本上升的影响，消费者支出和信心受到压制。而相比之下，亚洲市场的需求则相对稳定。

观赏鱼销售维持稳定性增长，主要得益于消费者对金鱼、灯鱼、剑尾鱼和丝鳍鱼等基础品种的需求。在欧美、日本和澳大利亚等大市场中，我们尤为察觉到这一偏好的转变趋势。

我们已做好准备，探索观赏鱼领域的新机遇。今年我们新增了八套陆基的Aqua-Ring Technology ("ART")系统，并计划通过这项崭新技术进一步加强在新加坡培殖观赏鱼新品种的力度，提升生产能力和加强韧性。与此同时，我们会持续培殖优质龙鱼，例如更具价值的白化品种。

这一年里，仟湖为推出新产品以及寻求新增长机会奠定了坚实基础，促使我们能够渗入马来西亚和印度尼西亚等主要市场。即便我们不断寻求开拓新的发展机遇，我们仍致力于维持扎实的财务基础。

过去几年中，我们将银行借款从1,850万元大幅削减至450万元。截至2024年12月31日，集团拥有强劲的现金储备额达1,460万元。秉持着审慎的策略，我们打造了充足的储备资金，使我们能够更具信心地追求新的发展机遇。

### 通过开创性技术方案培育增长

我们未来的愿景植根于可持续性和创新。从水资源可持续性到人工智能的探索，我们致力于将这些原则融入集团运营的方方面面。

采用如ART系统等无废水排放的陆基水箱，为我们密集型淡水和海水品种的育种提供了良好的生物安全保障，并能增强对气候相关风险的抵御能力。通过与AquaEasy的战略性合作，仟湖有效地部署了基于人工智能(AI)和物联网(IoT)的养殖方案，进以提高水产养殖生产力并降低成本。这些举措，包括AquaEasy水产养殖应用系统在马来西亚与泰国的更广泛使用，加上即将研发适用于中国市场的中文版本的计划，不仅促进了集团业务的推展与朝向可持续发展的方向，也为配合兑现新加坡政府所设下的能在2030年自产供应全国30%的粮食安全目标做出贡献。

在2024年年底，我们非常高兴与一家本地以科研为主的深度科技公司N&E Innovations Pte Ltd合作，该公司以将创意转化为有影响力的解决方案而闻名。我们将携手利用抗菌耐药性技术("AMT")重新定义宠物护理的可能性，该技术可从食用的水果废料中提炼一种可降解生物的溶体。与纳米银、碳酸氢钠和酒精等可能刺激宠物皮肤并对环境造成危害的传统成分不同，AMT不仅可降解生物，还获得了人类食用的许可。2025年，我们计划推出以AMT为基础所研发的一系列宠物用品，包括猫砂、湿巾、除臭喷雾以及其他含有可持续成分的相关产品。

除此之外，我们还看到了将AMT扩展至其他业务领域的巨大潜力，例如用于食品包装的可降解塑料材料，从而尽可能将可持续发展融入到我们所做的每一件事中。

在开拓新机遇的征程中，我们会专注于通过研发、财务纪律及环境责任打造一个可持续性、有韧性与创新力的企业。凭借这些策略，我们相信，仟湖的下一个篇章将迎来更多的机遇及更具发展潜能。

### 由衷感谢我们珍贵的团队及各相关者

"韧性"真正体现了我们过去二十多年来的顽强精神。它展显了我们在困难时期的恢复能力，以及我们在探索2025年及以后的新领域时，实现共同目标和愿景的能力。

我们的团队付出了极大的努力，带领仟湖度过了充满挑战但收获颇丰的一年。我衷心感谢董事局成员和刚卸下集团执行主席的叶金利先生。他作为仟湖的创始成员，将以顾问的身份，继续为董事局提供有用的指导与策略建议。更要感谢我们的业务伙伴、客户、员工以及股东们。你们赋予仟湖坚定不移的支持是我们朝着目标和愿景继续前进的驱动力。

感谢大家一如既往的信任，期待与大家一同踏上下一段激动人心的旅程！

**叶国清**
执行主席兼首席执行长



# Awards & Accolades

## RECOGNITION FOR BUSINESS EXCELLENCE

**Singapore Quality Awards**
– 2004 & 2009: Awarded by SQA Governing Council, SPRING Singapore

**People Developer Standard**
– 2006: Awarded by SPRING Singapore

**Professional Enterprise Award**
– 2007: Awarded by Asian Management Association and Certified Consultant Academy

**SQC Innovation Class**
– 2008: Awarded by SPRING Singapore

**Pro-Family Business Mark Certification**
– 2008: Awarded by Singapore Productivity Association

**People Excellence Award**
– 2009: Awarded by SQA Governing Council, SPRING Singapore

**Global Performance Excellence Award**
– 2011: Awarded by Asia Pacific Quality Organisation – Best in Class 2011 (Small Service Organisation)

**Singapore Sustainability Awards**
– 2012: Awarded by Singapore Business Federation – Top Honours (Small & Medium Enterprise)

**Excellent Service (Silver Award)**
– 2012: Awarded by SPRING Singapore

**Midas Touch Asia Enterprise Award**
– 2013: Awarded to enterprises in Asia Pacific which have the potential for exponential growth in the next decade

**Innovation Excellence Award**
– 2013: Awarded by SQA Governing Council, SPRING Singapore

**SBR Listed Companies Awards**
– 2015: Awarded by the Singapore Business Review – Winner in Agriculture category

## RECOGNITION FOR GOVERNANCE & TRANSPARENCY

**Singapore Corporate Awards**
**Companies with less than $500 million in market capitalisation**
– 2006: Best Annual Report – Gold
Best Investor Relations – Gold
– 2008: Best Managed Board – Merit

**Companies with less than $300 million in market capitalisation**
– 2009: Chief Financial Officer of the Year – Ms Lai Chin Yee
Best Managed Board – Merit
Best Investor Relations – Bronze
Best Annual Report – Gold
– 2010: Best Managed Board – Gold
– 2011: Best Investor Relations – Gold
– 2012: Best Annual Report – Gold
– 2013: Best Managed Board – Bronze
– 2014: Best Investor Relations – Gold
– 2015: Best Annual Report – Gold
– 2018: Best Annual Report – Gold
– 2022: Best Managed Board – Gold
Best Annual Report – Gold
Best Investor Relations – Bronze
– 2023: Best Risk Management – Bronze
– **2024: Best Risk Management – Silver**

**SID Best Managed Board Award**
– 2003: Special Mention

**SIAS Most Transparent Company Award**
– 2001 & 2002: Winner in SESDAQ & Small Caps category
– 2003: Winner in Services/Utilities/Agriculture category & Golden Circle Special Merit Award
– 2004: Winner in Mainboard Small Caps category & Runner-up in Services/Utilities/Agriculture category
– 2005 & 2006: Runner-up in Mainboard Small Caps category
– 2007 to 2011: Winner in Mainboard Small Caps category
– 2015: Runner-up in Food and Beverages category
– 2021: Runner-up in Consumer Discretionary category

**SIAS Singapore Corporate Governance Award**
– 2013: Merit in Small Caps category
– 2017: Runner-up in Small Caps category
Runner-up in Consumer Discretionary category

**SIAS Shareholder Communications Excellence Award**
– 2021, 2023 & **2024: Winner in Small Caps category**

**IR Magazine Southeast Asia Awards**
**Small or Mid-Cap category**
– 2007: Grand Prix for Best Overall Investor Relations – Winner
Best Corporate Governance – Winner
Best Financial Reporting – Highly Recommended
Most Progress in Investor Relations – Highly Recommended

# Board of Directors

## Yap Kok Cheng, 46

**Executive Chairman and Chief Executive Officer**

*Bachelor's degree in Commerce,*
*University of New South Wales, Australia*

**DATE OF FIRST APPOINTMENT AS DIRECTOR**
1 April 2022

**DATE OF LAST RE-APPOINTMENT AS DIRECTOR**
29 March 2023

**LENGTH OF SERVICE AS DIRECTOR**
2 years 9 months (as at 31 December 2024)

**PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES**
- Nil

**MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS IN OTHER LISTED COMPANIES)**
- Chairman, Youth Committee, Singapore Hokkien Huay Kuan

**PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS**
- Nil

**BACKGROUND AND EXPERIENCE**
- Responsible for implementing and reviewing the business directions and strategies of the Group, providing leadership and overseeing the day-to-day operations
- Joined the Group in January 2005 as management trainee
- Appointed as the General Manager of China Operations in 2016 to oversee and drive the Group's Aquaculture business and the entire business development in China

## Soong Wee Choo, 57

**Lead Independent Non-Executive Director**

*Bachelor's degree in Accountancy, National University of Singapore*
*Fellow Chartered Accountant of Singapore*
*Member of the Singapore Institute of Directors*

**DATE OF FIRST APPOINTMENT AS DIRECTOR**
1 April 2020

**DATE OF LAST RE-APPOINTMENT AS DIRECTOR**
29 March 2023

**LENGTH OF SERVICE AS DIRECTOR**
4 years 9 months (as at 31 December 2024)

**SERVED ON THE FOLLOWING BOARD COMMITTEES**
- Audit & Risk Management Committee (Chairman)
- Remuneration Committee (Member)
- Nominating Committee (Member)

**PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES**
- Nil

**MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS IN OTHER LISTED COMPANIES)**
- Member, Investigation & Disciplinary Panel of Institute of Singapore Chartered Accountants (ISCA)

**PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS**
- Nil

**BACKGROUND AND EXPERIENCE**
- Director, Wizcorp Advisory Pte Ltd (2019 - Present)
- Chief Financial Officer, No Signboard Holdings Limited (2017 - 2018)
- Chief Financial Officer, Chosen Holdings Limited (1998 - 2016)
- Executive Director, Chosen Holdings Limited (2008 - 2016)
- Member, Continuing Professional Education Committee of ISCA (2018 - 2020)

## Ling Kai Huat, 76

**Independent Non-Executive Director**

*Doctor of Philosophy, National University of Singapore*
*Master of Aquaculture, University of the Philippines*
*Bachelor of Science in Biology, Nanyang University*
*Diploma in Aquaculture, Network of Aquaculture Centres in Asia (NACA)*

**DATE OF FIRST APPOINTMENT AS DIRECTOR**
1 August 2015

**DATE OF LAST RE-APPOINTMENT AS DIRECTOR**
30 March 2022

**LENGTH OF SERVICE AS DIRECTOR**
9 years 5 months (as at 31 December 2024)

**SERVED ON THE FOLLOWING BOARD COMMITTEES**
- Remuneration Committee (Chairman)
- Audit & Risk Management Committee (Member)
- Nominating Committee (Member)

**PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES**
- Nil

**MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS IN OTHER LISTED COMPANIES)**
- Nil

**PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS**
- Nil

**BACKGROUND AND EXPERIENCE**
- Senior Specialist, Agri-Veterinary Authority of Singapore (AVA) (2012 - 2015)
- Head, Ornamental Fish Section of AVA (1991 - 2011)
- Curator, Van Kleef Aquarium (1973 - 1990)

## Chew Mok Lee, 62

**Independent Non-Executive Director**

*Bachelor's degree in Arts (Economics & Statistics, National University of Singapore*
*Master of Science, University of Strathclyde, UK*
*Master of Business Administration, Nanyang Fellows Programme - Executive MBA, National Technological University*

**DATE OF FIRST APPOINTMENT AS DIRECTOR**
1 April 2024

**LENGTH OF SERVICE AS DIRECTOR**
9 months (as at 31 December 2024)

**SERVED ON THE FOLLOWING BOARD COMMITTEES**
- Nominating Committee (Chairman)
- Audit & Risk Management Committee (Member)
- Remuneration Committee (Member)

**PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES**
- Nil

**MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS IN OTHER LISTED COMPANIES)**
- Advisor, Federation of Singapore Merchants Association (FMAS)
- Advisor, Singapore Furniture Industries Council (SFIC) and the Singapore Furniture Institute

**PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS**
- Nil

**BACKGROUND AND EXPERIENCE**
- Enterprise Fellow, Enterprise Singapore (2021 - Present)
- Assistant Chief Executive (ICM & Digitalisation, Enterprise Services & New Industries), Enterprise Singapore (2018 - 2021)
- Assistant Chief Executive (Capabilities & Partnership), SPRING Singapore (2012 - 2018)
- Group Director (Entrepreneurship & Innovation Group), SPRING Singapore (2007 - 2012)
- Deputy Group Director (Entrepreneurship Promotion Group), SPRING Singapore (2006 - 2007)

# Key Management

## Singapore

**Kenny Yap**
**Advisor**
**Qian Hu Corporation Limited**

Previously the Executive Chairman of the Group, Mr Yap is now an Advisor to Qian Hu since his retirement on 31 December 2024.

He had previously been at the helm of Qian Hu since 1998 and through his leadership, vision and passion for the industry, he led the company through over two decades of growth and transformation.

Mr Yap's focus on innovation, sustainable practices and strategic partnerships was instrumental in maintaining Qian Hu's competitive edge in the global market as the first Mainboard-listed ornamental fish company on the Singapore Exchange.

During his tenure, Qian Hu evolved from a family-owned fish farm into an integrated global player in ornamental fish, aquaculture, aquarium and pet accessories, with a market reach of over 80 countries and cities.

Mr Yap graduated from Ohio State University (USA) with a degree in Business Administration (Summa Cum Laude).

**Lai Chin Yee**
**Finance Director**
**Qian Hu Corporation Limited**

Ms Lai joined the Group in 2000 as its Group Financial Controller before assuming the current position as Finance Director in 2004. She is responsible for the Group's financial & sustainability reporting, treasury, corporate governance and other finance related matters.

Ms Lai was a council member of the Institute of Singapore Chartered Accountants (ISCA) from April 2018 to April 2024.

She is the current Chairperson of ISCA's CFO Committee and a member of its Membership Committee. Ms Lai has served on ISCA's Continuing Professional Education Committee, Corporate Governance and Risk Management Committee and chaired the Singapore Chartered Accountant Qualification (SCAQ) Advisory Panel previously.

Ms Lai is also the Non-Executive Chairman of SGX-listed Abundance International Limited. From April 2019 to March 2024, she was appointed by the Ministry of Finance as a Board member of Accounting and Corporate Regulatory Authority (ACRA).

Ms Lai graduated with a bachelor's degree in Accountancy from the National University of Singapore. She is a Fellow Chartered Accountant (FCA) and a member of the Singapore Institute of Directors. In 2009, she was named the Chief Financial Officer of the Year at the Singapore Corporate Awards (for listed companies with less than $300 million in market capitalisation).

**Alvin Yap Ah Seng**
**Division Head**
**Yi Hu Fish Farm Trading**

Mr Yap, a founding member of the Group, heads the Group's aquarium and pet accessories operations.

Mr Yap was the Managing Partner for Yi Hu Fish Farm Trading from 1988 to 1998.

In 2000, Mr Yap, together with Kenny Yap and Andy Yap, was honoured as one of the Top 12 Entrepreneurs of the 12th Rotary-ASME Entrepreneur of the Year as well as a finalist at the 10th Rotary-ASME Entrepreneur of the Year in 1998.

Mr Yap holds a diploma in Mechanical Engineering from the Singapore Polytechnic.

**Andy Yap Ah Siong**
**Division Head**
**Qian Hu Fish Farm Trading**

Mr Yap, a founding member of the Group, heads the Group's ornamental fish operations.

Mr Yap was the Managing Partner for Qian Hu Fish Farm Trading from 1989 to 1998.

In 2000, Mr Yap together with Kenny Yap and Alvin Yap, was honoured as one of the Top 12 Entrepreneurs of the 12th Rotary-ASME Entrepreneur of the Year awards as well as a finalist at the 10th Rotary-ASME Entrepreneur of the Year awards in 1998.

Mr Yap holds a diploma in Business Studies from the Ngee Ann Polytechnic.

**Lim Yik Kiang**
**Division Head**
**Wan Hu Fish Farm Trading**

Mr Lim joined as a retail supervisor in 2000, managing the retail operations in Singapore. He specialises in the sales and operations of Dragon Fish and other ornamental fish.

In 2004, Mr Lim was transferred to administer the Group's Dragon Fish operations in Shanghai. He was appointed in January 2016 to oversee the Group's ornamental fish and aquaculture business in China. Mr Lim returned to Singapore in 2024 to oversee the daily operations of Wan Hu Fish Farm Trading.



## Singapore

**Li Bin Hao**
**General Manager**
**Qian Hu Tat Leng Plastic Pte. Ltd.**

Mr Li oversees and manages the operations and business development of the Group's plastic business, and brings over 20 years of diverse experience in retail, marketing and management.

Mr Li holds a master's degree in Business Studies, specialising in Supply Chain Management, from the University of Southern Queensland, Australia.

## Thailand / Indonesia

**Jimmy Tan Boon Kim**
**Managing Director**
- **Thai Qian Hu Company Limited**
- **Advance Aquatic Co., Ltd.**
- **P.T. Qian Hu Joe Aquatic Indonesia**

Mr Tan oversees the business operations and business development of the Group's ornamental fish business in Thailand and Indonesia.

Prior to his current appointments, Mr Tan was the head of Daudo in Singapore, overseeing the import, export and wholesale of ornamental fish.

**Low Eng Hua**
**Managing Director**
**Qian Hu Marketing Co., Ltd.**

Mr Low joined the Group in 2001 as the Group's General Manager. Over the years, he was assigned to manage the Group's various overseas operations and projects in China, Thailand and India. At present, Mr Low is responsible for the business collaboration and development of the Group's Accessories business in Thailand.

Prior to joining the Group, Mr Low worked in Engage Electronics (S) Pte Ltd from 1993 to 2001 where he rose through the ranks from Application Engineer to Deputy Operations Manager.

Mr Low holds a bachelor's degree in Engineering from the National University of Singapore.

## China / Malaysia

**Yap Kay Wee**
**Head of Accessories Business,**
**China Operations**

Mr Yap joined the Group in January 2005 as a management trainee in its Guangzhou office, where he ran the Group's accessories sales and marketing initiatives in Southern China.

He also spearheaded various innovative projects with the Group's Integrated R&D team, such as the revolutionary HYDROPURE technology. He was appointed to his current role in January 2016 to take charge of the Group's accessories business in China.

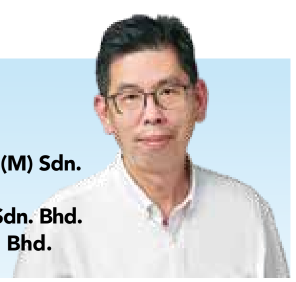
Mr Yap holds a bachelor's degree in Commerce from the University of New South Wales, majoring in Marketing and International Business.

**Yap Kok Fong**
**General Manager**
- **Qian Hu Aquaculture (Hainan) Co., Ltd**
- **Qian Hu Aquaculture (M) Sdn. Bhd.**

Mr Yap has over 20 years of experience in operations and sales management within the ornamental fish and aquaculture industry.

He joined the Group in 2003 as a management trainee in its Beijing office, where he was involved in sales and operations. In 2023, Mr Yap was appointed to oversee the Group's aquaculture operations and business growth.

Mr Yap holds a diploma in Electrical Engineering from the Singapore Polytechnic.



**Lim Si Loon**
**Director**
- **Qian Hu Aquarium and Pets (M) Sdn. Bhd.**
- **Qian Hu The Pet Family (M) Sdn. Bhd.**
- **Qian Hu Development Sdn. Bhd.**

Mr Lim first joined the Group in 2003 as an Accountant and was subsequently promoted to General Manager in 2013. He is currently responsible for the operations and development of the Group's business in Malaysia.

Prior to joining the Group, Mr Lim was working as a Finance and Administration Manager with Ossia World Of Golf (M) Sdn Bhd from 2001 to 2003.

Mr Lim is a Fellow Member with the Association of Chartered Certified Accountants (FCCA), as well as a Member of the Malaysian Institute of Accountants (MIA).

# Exploring New Pathways

With fresh perspectives and vigour,
we will embrace innovation and adaptability
to seize emerging opportunities and
unlock new possibilities.

# Market Updates


## Singapore

**In 2024, we deepened our focus on innovation to address an evolving macroeconomic landscape.**

**We have taken deliberate steps to build on our core expertise and strengthen our position in Singapore's dynamic market, charting new paths for growth in the years to come.**

Singapore continued to deliver steady performance despite challenges such as rising costs, inflationary pressures and shifts in consumer behaviour. This reflects our adaptability and the strength of our diversified portfolio in a competitive environment.

We made significant progress in our local initiatives this year, following the redeployment of our Arowana earthen ponds for ornamental fish farming. The Ornamental Fish business delivered stable growth this year in Singapore, where we focused on scalable breeding for 15 essential and popular fish varieties such as goldfish, swordtails and mollies.

Our efforts were buoyed by the eco-friendly Aqua-Ring Technology ("ART") system, which enhances efficiency. We have since placed orders for eight additional ART units which are smaller, more transportable and redesigned for improved scalability.

As we focus on cultivating 10 more fish varieties in 2025, this strategy will play a key role towards our vision of transforming ornamental fish breeding into a more efficient and sustainable process. Meanwhile, we continue to breed a select range of premium Arowana varieties.

Our joint venture for Marble Goby farming is progressing well, with plans to increase our production in 2025 to target high-value markets such as banquets and restaurants. Located in Malaysia, the farm is a key component of our Aquaculture growth strategy. Collaborations with regional partners have strengthened our aquaculture footprint, including successful trials with AquaEasy in shrimp farming and other sustainable solutions. These efforts underscore our commitment to scaling operations while ensuring environmental sustainability.

This year, we also capitalised on the rising popularity of pet ownership to boost our Accessories business. As cat ownership increased, our Aristo-Cats YIHU Premium Plus brand led the charge as a market favourite. Our Tuna Series continues to be a top-seller, and we are developing new functional food products to address specific health needs, such as hairball control and skin health.

While cat food remains our primary focus, we are also expanding our range of cat accessories to meet the evolving needs of cat owners. The rising popularity of cat ownership, supported by the new HDB cat ownership framework, presents an exciting opportunity for growth. To showcase our range of pet accessories, we introduced a dedicated Pet Retail Corner at our Singapore farm, enhancing customer engagement. We remain committed to thoughtfully expanding our offerings, ensuring that our focus on high-quality pet accessories continue to drive the segment.

The Plastics division achieved stable results, driven by recession-proof demand for affordable packaging solutions like ours. Amidst growing pressure to reduce single-use plastics and shifting consumer preferences for eco-friendly alternatives, the industry is expected to see a shift towards bio-plastics and sustainable packaging, along with greater automation in coming years.

As part of our R&D efforts, we are actively collaborating with a local partner, N&E Innovations Pte Ltd, to incorporate antimicrobial technology ("AMT"), a biodegradable, food-based solution derived from fruit waste – into both our pet Accessories and Plastics divisions' product lines; including biodegradable plastic resins used for food packaging. Leveraging this external technology in our R&D efforts aligns with our commitment to strengthen and diversify our offerings, meet the rising demand for eco-friendly solutions, and stay competitive in a shifting market.

**Our efforts were buoyed by the eco-friendly Aqua-Ring Technology ("ART") system, which enhances efficiency. We have since placed orders for eight additional ART units which are smaller, more transportable and redesigned for improved scalability.**

# Market Updates

## Malaysia

By focusing on innovation, quality and operational efficiency in Malaysia, we are strengthening our position in the Accessories and Ornamental Fish industries.

As we continue to adapt to shifting consumer trends and address economic challenges, we are uncovering opportunities in a competitive and evolving landscape.

The trend of pet humanisation continues to shape the Malaysian consumer behaviour, with pet owners increasingly prioritising prepared meals, healthier diets, supplements, and hygiene products for their pets. With our reputation for value and quality through our in-house brand "The Pet Family", we have been able to maintain a strong competitive edge in a challenging market.

Online sales have shown strong growth, driven by the success of Aristo-Cats YIHU canned cat food and the rapid adoption of our TikTok channel, launched in July. TikTok's live selling, video-driven campaigns, and affiliate marketing have boosted our brand awareness and engagement with our digital consumer base. This platform continues to play a central role in expanding our reach.

Our retail stores faced a challenging year due to weaker consumer spending and the opening of competitor outlets nearby. Nonetheless, we remain optimistic about 2025, with targeted promotional campaigns planned in collaboration with major brands and a dedicated team focused on increasing awareness.

We expect our Accessories offerings in the pet segment to be a key growth driver in 2025. We have lined up the launches of various new cat food varieties, as well as new dog food ranges, featuring kibbles and wet food.

As we look ahead, we are monitoring key industry trends, such as the rising demand for technology-driven products, which reflects the growing emphasis on convenience, wellness, and safety among pet owners. Smart feeding systems, GPS-enabled safety devices, and functional innovations like self-cleaning litter boxes and cat litter that monitor urine pH are increasingly popular.



**Online sales have shown strong growth, driven by the success of Aristo-Cats YIHU canned cat food and the rapid adoption of our TikTok channel, launched in July. TikTok's live selling, video-driven campaigns and affiliate marketing have boosted our brand awareness and engagement with our digital consumer base.**

Luxury products, such as frozen yogurt for dogs and premium cat enclosures, also highlight pet owners' willingness to invest in advanced pet care solutions. These trends will align closely with our broader product development strategy moving forward.

Our Ornamental Fish segment saw increased local sales this year, supported by government initiatives aimed at enhancing Malaysia's competitiveness in the global market. By refining our processes and maintaining high-quality standards, we have reinforced our position as a trusted player in the ornamental fish industry.

Earlier this year, we acquired a property in Selangor to consolidate our operations under one roof. This strategic investment is set to increase our racking capacity, reduce rental dependencies, and enhance synergies between our divisions. It positions us to manage future demand effectively while securing long-term cost savings.

Looking ahead, we remain focused on growing our pet Accessories division and expanding our presence in aquarium Accessories. By staying attuned to consumer trends, introducing innovative products, and optimising operations, we are well-positioned to navigate Malaysia's evolving market and seize new opportunities for growth.

# Market Updates

## China

Over the past year, the Accessories market in China has undergone significant transformation, driven by the rapid growth of online platforms and live-streaming.

This shift has reshaped consumption patterns, with younger consumers emerging as a key demographic.

Tech-savvy customers seek personalised products, affordable yet high-quality solutions and innovation – creating opportunities while challenging traditional retail models. To meet evolving consumer demands, we tailored our aquarium offerings to target specific market segments.

Our mid-low end aquarium tank series, which incorporates advanced filtration features, provides practical options for a broader audience. This series appeals to customers seeking reliable, efficient solutions that balance affordability, functionality and quality.

At the top end, our range of aquarium tanks continued to perform strongly. With upgraded designs and improved filtration systems, this premium series resonates with younger, style-conscious consumers who value aesthetics and efficiency.

We also introduced new accessories items under the Aqua Zonic brand this year, including smart power strips and water heaters, addressing the growing demand for versatile and efficient aquarium products.

Sustainability remains at the core of our operations as we upgraded our filtration systems with our Hydro Pure Technology and 3DM Filter Media, reducing environmental impact while meeting consumer demand for eco-friendly solutions.

Digital platforms, including JD.com, Taobao, and particularly Douyin, played a pivotal role in strengthening our market presence. By creating tailored, algorithm-friendly content, launching targeted campaigns and partnering with aquarium influencers, we increased our brand visibility and drove steady growth in online sales.

To maintain efficiency and product quality, we prioritised supply chain improvements. Through close collaboration with suppliers, strict quality control and technical support, we have reduced costs and ensured timely delivery. We continue to explore ways to enhance and streamline operations, reinforcing our efforts to remain competitive in a challenging market.

Our Aquaculture operations in China enjoyed improved performance in 2024 across both local and export markets. We farm and grow species such as the Marble Goby and Grouper in our saltwater and freshwater ponds, supplying table-sized fish to meet restaurant demand for antibiotic-free, parasite-free edible fish.

**At the top end, our range of aquarium tanks continued to perform strongly. With upgraded designs and improved filtration systems, this premium series resonates with younger, style-conscious consumers who value aesthetics and efficiency.**

As such, our Aquaculture division saw steady growth as overall sales thrived this year amidst rising prices of edible fish due to supply constraints.

As consumer preferences shift toward consuming more affordable freshwater fish in China, we aim to maintain a steady supply to the domestic market.

China remains an important market for Qian Hu. While broader macro-economic challenges persist, we are committed to leveraging our expertise, deepening consumer insights, and refining our operations to navigate evolving trends.

# Market Updates

## Thailand

**Amidst an evolving post-COVID landscape, we are adapting to changing consumer preferences and navigating economic shifts in Thailand.**

**By focusing on innovation, operational efficiency, and strategic partnerships, we are strengthening our presence in the Ornamental Fish and Accessories segments while exploring new opportunities in Aquaculture.**

Our Ornamental Fish segment has largely recovered to pre-COVID levels, with stable sales and positive growth in both domestic and export markets. We are working closely with local breeders to stabilise production while also introducing new ornamental varieties, including Betta crossbreeds and giant goldfish.

Our pilot Aquaculture project to breed hybrid Marble Goby for export is still progressing in phases as we continue to refine our breeding techniques meanwhile. In the longer term, we aim to scale our supply to meet demand during the seasonal shortages in the regional market.

In the aquarium Accessories segment, consumer preferences are increasingly shifting towards smaller, more affordable aquarium items, prompting adjustments to our product strategy. In response, we have introduced plug-and-play aquariums that include complete sets with pumps, lighting and ornaments. This aligns with the growing demand for more affordable and user-friendly aquarium solutions. By working closely with our suppliers, we have been able to maintain competitive pricing while expanding our product range.

Meanwhile, the pet Accessories market continues to be a growth area despite economic pressures, particularly for cats, as ownership rose. Sales of our cat litter and toys have increased, despite pricing pressures from suppliers.

To stay competitive, we have adjusted our pricing strategy and product offerings to appeal to cost-conscious consumers, focusing on value-for-money products with faster product lifecycles. The premium segment, including Aristo-Cats YIHU canned food, continues to show stable demand, supported by ongoing market promotion through both wholesale and online channels.

Accessories, such as reptile cages, tank sets and related products, remain niche but promising. Recent launches, including new reptile cages and turtle tanks, have been well-received. Our strategy involves sourcing good quality products from a variety of suppliers to offer competitive pricing and meet customer demand.

In the online space, platforms like Lazada and Shopee remain critical despite their volatility. Rising commission rates present challenges, but we continue to adapt by staying on top of trends and swiftly launching new products. Regular updates to product listings and collaborations with suppliers have enhanced our visibility and engagement with online consumers.

Enhanced sourcing networks have improved our operational efficiency, allowing for quicker evaluation of product quality and costs. We plan to accelerate our product launches in 2025, with suppliers committed to support our marketing initiatives. Additionally, our larger suppliers have evolved in response to global geopolitical uncertainties, enabling us to access better resources as suppliers shift focus towards Southeast Asia.

Anchored by our stable Ornamental Fish segment, the Accessories business is poised to drive growth for Qian Hu in Thailand as new product developments complement our existing offerings. With intense competition fuelled by shifting supply chains, maintaining strong relationships with both suppliers and customers will be critical. Our strategy will focus on balancing quality and pricing while leveraging first-mover advantages to capture market share.

**Our pilot Aquaculture project to breed hybrid Marble Goby for export is still progressing in phases as we continue to refine our breeding techniques meanwhile. In the longer term, we aim to scale our supply to meet demand during the seasonal shortages in the regional market.**

# Market Updates

## Indonesia

Indonesia continues to present immense opportunities for the Group as we work to deepen our foothold in this dynamic market.

This year, we refined our operations and strategies while adapting to the shifting demands of the ornamental fish and pet care industries.

Our Ornamental Fish segment experienced strong demand for goldfish varieties, including giant panda, short tail, rose tail, red goldfish, as well as platy and swordtails. This year, we begun refining our fish breeding operations, working closely with local breeders to develop updated fish conditioning and treatment protocols.

By doing so, we ensure that only high-quality fish are exported, maintaining consistent export quality. Strengthening our collaborative efforts at the supply chain level also allows us to improve overall efficiencies. These initiatives not only enhance our operational capabilities but also position us to meet the growing international demand.

This year, we expanded our presence in the Accessories segment with the launch of our Indonesian pets division, which has been officially operational since January 2025. With growing cat ownership in the country, we plan to focus on the cat segment, offering accessories such as cat litter, food and toys. We also intend to launch various bird accessories tailored to lovebirds, which are particularly popular in Indonesia.

Online platforms such as Tokopedia will be central to our strategy, enabling us to engage Indonesia's growing digital consumer base while also laying the foundation for future expansions into niche pet segments.

Looking ahead, we will prioritise growth in our Ornamental Fish and pet Accessories segments, leveraging Indonesia's market potential. By enhancing our breeding processes, streamlining supply chain management, and amping up on consumer engagement, we aim to drive greater efficiencies and strengthen our position as we adapt to Indonesia's unique opportunities.

**Online platforms such as Tokopedia will be central to our strategy, enabling us to engage Indonesia's growing digital consumer base while also laying the foundation for future expansions into niche pet segments.**

# Innovating for Tomorrow

With a focus on forward-thinking initiatives, collaboration and innovation, we are prepared to tackle the challenges of tomorrow.

# Financial Highlights

| Revenue | EBITDA | PATMI |
|---|---|---|
| **$71.4** million | **$3.9** million | **$0.4** million |
| $70.3 million in 2023 | ($5.6) million in 2023 | ($9.3) million in 2023 |

| Total Assets | Total Liabilities | Cash and Cash Equivalents |
|---|---|---|
| **$58.0** million | **$16.0** million | **$14.6** million |
| $58.9 million in 2023 | $17.2 million in 2023 | $15.5 million in 2023 |

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **FOR THE YEAR ($'000)** | | | | | |
| Revenue | 71,418 | 70,314 | 75,265 | 80,003 | 75,233 |
| Gross profit | 25,318 | 23,566 | 24,443 | 26,817 | 25,277 |
| Earnings (loss) before interest, taxation, depreciation and amortisation (EBITDA) | 3,891 | (5,644) | 5,407 | 6,128 | 4,937 |
| Profit (loss) before tax | 620 | (8,969) | 1,896 | 2,311 | (1,121) |
| Net profit (loss) attributable to owners of the Company (PATMI) | 357 | (9,277) | 1,400 | 1,720 | (1,453) |
| Operating cashflow | 4,029 | 3,355 | 6,039 | 8,517 | 9,160 |
| Capital expenditure | 2,558 | 749 | 1,103 | 1,550 | 601 |
| **AT YEAR END ($'000)** | | | | | |
| Total assets | 58,049 | 58,933 | 72,391 | 74,794 | 77,967 |
| Total liabilities | 16,006 | 17,201 | 20,840 | 24,163 | 28,232 |
| Equity attributable to owners of the Company | 39,778 | 39,494 | 49,255 | 48,320 | 47,356 |
| Net current assets | 27,345 | 27,942 | 29,827 | 27,761 | 25,692 |
| Cash and cash equivalents | 14,631 | 15,546 | 20,117 | 21,671 | 19,098 |
| **KEY FINANCIAL RATIOS** | | | | | |
| Revenue growth (%) | 1.6% | (6.6%) | (5.9%) | 6.3% | (2.2%) |
| Net profit (loss) growth (%) | 103.9% | NM | 18.6% | 218.4% | NM |
| Gross profit margin (%) | 35.5% | 33.5% | 32.5% | 33.5% | 33.6% |
| Net profit (loss) margin (%) | 0.6% | (13.0%) | 2.2% | 2.5% | (1.8%) |
| Debt-to-equity ratio (times) | 0.38 | 0.41 | 0.40 | 0.48 | 0.57 |
| Return on shareholders' equity (%) | 0.9% | (23.5%) | 2.8% | 3.6% | (3.1%) |
| Return on total assets (%) | 0.6% | (15.7%) | 1.9% | 2.3% | (1.9%) |
| Dividend payout ratio (%) | 127.2% | NM | 24.3% | 19.8% | NM |
| **PER SHARE INFORMATION (CENTS)** | | | | | |
| Earnings (loss) per share | 0.31 | (8.17) | 1.23 | 1.51 | (1.28) |
| Net assets per share | 35.04 | 34.79 | 43.39 | 42.56 | 41.71 |
| Cash per share | 12.89 | 13.69 | 17.72 | 19.09 | 16.82 |
| Dividend per share | 0.40 | 0.30 | 0.30 | 0.30 | 0.20 |
| **MARKET CAPITALISATION ($'MILLION)** | | | | | |
| At close of business on the first trading day after the announcement of audited results | 21.00 | 18.73 | 26.11 | 25.54 | 23.84 |

NM: Not Meaningful



# Value-Added Statements

| ($'000) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Revenue earned | 71,418 | 70,314 | 75,265 | 80,003 | 75,233 |
| Less : Purchase of goods and services | (53,861) | (54,485) | (58,188) | (60,984) | (56,089) |
| **Gross value-added from operations** | 17,557 | 15,829 | 17,077 | 19,019 | 19,144 |
| Other income | 3,066 | 3,544 | 4,282 | 3,524 | 773 |
| Loss on biological assets | – | (7,391) | (4) | – | – |
| Exchange gain (loss) | 166 | (30) | (179) | 508 | (75) |
| **Total value-added available for distribution** | **20,789** | **11,952** | **21,176** | **23,051** | **19,842** |
| **Distribution of Group's value-added:** | | | | | |
| **To employees** | | | | | |
| - Salaries and other related costs | 16,397 | 15,590 | 15,728 | 15,469 | 13,246 |
| **To government** | | | | | |
| - Corporate and other taxes | 341 | 300 | 385 | 431 | 309 |
| **To providers of capital** | | | | | |
| - Interest paid on borrowings | 355 | 451 | 352 | 252 | 385 |
| - Dividends to shareholders | 341 | 341 | 341 | 227 | 341 |
| **Retained for re-investment and future growth** | | | | | |
| - Depreciation and amortisation | 3,085 | 3,015 | 3,194 | 3,596 | 3,726 |
| - Accumulated profit (loss) | 16 | (9,617) | 1,059 | 1,493 | (1,793) |
| - Non-controlling interests | 60 | 151 | 239 | 281 | 132 |
| **Non-production costs and income** | | | | | |
| - Bad trade receivables writen off | 10 | 49 | 27 | 207 | 995 |
| - Impairment loss on trade receivables | 184 | 154 | 91 | 485 | 135 |
| - Allowance for (Write back of allowance for) inventory obsolescence | – | 1,518 | (240) | 610 | 366 |
| - Impairment loss on brooder stocks | – | – | – | – | 2,000 |
| **Total distribution** | **20,789** | **11,952** | **21,176** | **23,051** | **19,842** |

| PRODUCTIVITY DATA | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Number of employees | 520 | 522 | 524 | 563 | 547 |
| Value-added per employee ($'000) | 40 | 23 | 40 | 41 | 36 |
| Value-added per dollar of employment cost | 1.27 | 0.77 | 1.35 | 1.49 | 1.50 |
| Value-added per dollar of revenue | 0.29 | 0.17 | 0.28 | 0.29 | 0.26 |
| Value-added per dollar of investment in property, plant & equipment and brooder stocks | 0.56 | 0.35 | 0.47 | 0.47 | 0.41 |

# Financial Review

## Statement of Profit or Loss

**REVENUE** – Increased by approximately $1.1 million or 1.6% mainly due to higher revenue contribution from the Fish business activities, partially offset by revenue reduction from the Accessories segment.

Notwithstanding the ongoing trade tensions and geopolitical landscape, the fish export business has since stabilised in FY 2024. The aquaculture business saw an increase in customers' orders with a wider product range and offerings, which has led to the improvement in revenue contribution from the Fish segment.

Revenue from Accessories business was affected by the weakening and conservative purchasing sentiments experienced globally due to trade disruptions and economic uncertainties.

Plastics revenue managed to register flat growth with the stabilisation of the customer base, focusing on generating revenue through selling products with sustainable margins to various consumers' sectors.

**GROSS PROFIT** – Increased by $1.8 million or 7.4% mainly due to higher revenue generated as mentioned above and better gross profit margin registered with the differences in sales mix during the financial year. Gross profit margin improved from 33.5% in FY 2023 to 35.5% in FY 2024.

**OTHER INCOME** – Mainly consisted of handling income of $2.1 million (FY 2023: $3.0 million) derived from the handling of transshipments in relation to the aquaculture business, which was lower in tandem with the decrease in transshipments activities in FY 2024. The reduction was partially mitigated by a one-time compensation income following a land expropriation by the local government in China.

**OTHER EXPENSE** – Related to loss on biological assets arose from the disposal of a substantial portion of brooder stocks, following the Group's strategic decision to reduce its efforts in the breeding of dragon fish in FY 2023.

**PROFIT (LOSS) BEFORE TAX** – Included in the loss before taxation in FY 2023 was an allowance for obsolete and slow-moving inventory of approximately $1.5 million arose from an inventory profiling and assessment exercise undertaken by the Group to streamline and optimise its inventory holding, as well as the loss on biological assets of approximately $7.4 million mentioned above.

Excluding the above adjustments, the higher gross profit generated due to improvement in overall revenue and gross profit margin has resulted in the increase in profitability by approximately $0.7 million in FY 2024, despite the lower handling income.

**TAX EXPENSE** – The tax expense was mainly in relation to the operating profits registered by the profitable entities within the Group.

The effective tax rate registered was higher than the amount obtained by applying the statutory tax rate of 17% on profit before tax mainly due to losses incurred by some entities which cannot be offset against profits earned by other companies within the Group and the varying statutory tax rates of the different countries in which the Group operates. In addition, there were higher profit contributions from entities with a higher tax rate.

**PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY** – Resulted from the profit (loss) registered in FY 2024 and FY 2023 respectively.

| | 2024 $'000 | 2023 $'000 | Change % |
|---|---|---|---|
| **REVENUE** | | | |
| - Fish | 29,324 | 27,646 | 6.1 |
| - Accessories | 34,032 | 34,650 | (1.8) |
| - Plastics | 8,062 | 8,018 | 0.5 |
| **TOTAL REVENUE** | **71,418** | **70,314** | **1.6** |
| Less : Cost of sales | (46,100) | (46,748) | (1.4) |
| **GROSS PROFIT** | **25,318** | **23,566** | **7.4** |
| Add : Other income | 3,066 | 3,544 | (13.5) |
| Less : Other expense | – | (7,391) | NM |
| Less : Operating expenses | (27,764) | (28,688) | (3.2) |
| **PROFIT (LOSS) BEFORE TAX** | **620** | **(8,969)** | **NM** |
| Less : Tax expense | (203) | (157) | 29.3 |
| **PROFIT (LOSS) FOR THE YEAR** | **417** | **(9,126)** | **NM** |
| **PROFIT (LOSS) ATTRIBUTABLE TO:** | | | |
| **Owners of the Company** | **357** | **(9,277)** | **NM** |
| Non-controlling interests | 60 | 151 | (60.3) |
| **PROFIT (LOSS) FOR THE YEAR** | **417** | **(9,126)** | **NM** |

NM: Not Meaningful

## Statement of Financial Position

**TOTAL ASSETS** – Decreased by $0.9 million or 1.5% as at 31 December 2024.

*Property, plant and equipment* included capital expenditure incurred for the purchase of building, equipment, motor vehicles, as well as ongoing enhancements to farms and other facilities both in Singapore and overseas. This also included the recognition of additional right-of-use (ROU) assets, offset by depreciation charges during the financial year.

*Increase in biological assets* was primarily due to farm-raised marble goby growing to biomass level for harvest.

*Increase in financial assets at fair value through profit and loss* was based on its valuation as at 31 December 2024.

*Decrease in inventory* was resulted from ongoing reviews aimed at streamlining the inventory management processes, enabling more efficient and effective control of inventory holdings.

*Increase in trade and other receivables* was driven by higher credit sales, as well as a rise in advance payments to suppliers for purchases scheduled for delivery in the upcoming quarter.

*Decrease in cash and cash equivalents* was mainly utilised for the repayment of bank borrowings and lease liabilities.

**TOTAL LIABILITIES** – Decreased by $1.2 million or 6.9% as at 31 December 2024.

*Increase in trade and other payables* due to increase in purchases from non-trade suppliers during the current financial year.

*Increase in tax liabilities* due to higher taxable profit registered by profitable entities.

*Decrease in loans and borrowings* due to the repayment of bank borrowings and settlement of lease liabilities on a monthly basis.

**TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY** – Increased by $0.3 million or 0.7% as at 31 December 2024 was mainly a result of profit attributable to owners of the Company for the financial year, partially offset by the payment of dividends to shareholders of the Company in April 2024.

**TOTAL NON-CONTROLLING INTERESTS** – Increased by 1.2% as at 31 December 2024 as the profit contributions from the non-wholly owned subsidiaries for the financial year was offset by the payment of dividends by one of these subsidiaries.

| | 2024 $'000 | 2023 $'000 | Change % |
|---|---|---|---|
| **TOTAL ASSETS** | **58,049** | **58,933** | **(1.5)** |
| - Property, plant and equipment | 8,602 | 8,602 | NM |
| - Intangible assets | 6,541 | 6,665 | (1.9) |
| - Biological assets | 161 | 133 | 21.1 |
| - Financial asset at fair value through profit or loss | 1,452 | 1,379 | 5.3 |
| - Inventories | 11,848 | 12,240 | (3.2) |
| - Trade and other receivables | 14,814 | 14,368 | 3.1 |
| - Cash and cash equivalents | 14,631 | 15,546 | (5.9) |
| **TOTAL LIABILITIES** | **16,006** | **17,201** | **(6.9)** |
| - Trade and other payables | 9,125 | 8,855 | 3.0 |
| - Tax liabilities | 443 | 396 | 11.9 |
| - Loans and borrowings | 6,438 | 7,950 | (19.0) |
| **TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY** | **39,778** | **39,494** | **0.7** |
| **TOTAL NON-CONTROLLING INTERESTS** | **2,265** | **2,238** | **1.2** |

NM: Not Meaningful

# Financial Review

## Business Segment Performance

Qian Hu has its main presence in five countries, namely, Singapore, Malaysia, Thailand, Indonesia and China, which consists of 15 subsidiaries (collectively known as the "Group") as at 31 December 2024.

The Group has three main business activities - Fish, Accessories and Plastics. For the financial year ended 31 December 2024 ("FY 2024"), the Group recorded revenue of $71.4 million, of which approximately 89% was contributed by the core businesses (Fish and Accessories), while Plastics contributed the remaining 11%.

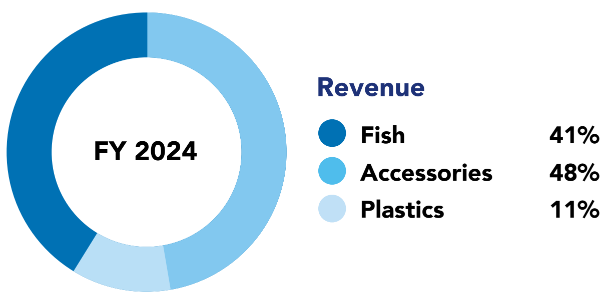
| | Fish | Accessories | Plastics | Others | Total |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | **$'000** |
| **FY 2024** | | | | | |
| **Revenue** | 29,324 | 34,032 | 8,062 | – | **71,418** |
| **Profit (loss) before tax** | 2,048 | 1,019 | 988 | (3,435) | **620** |
| **FY 2023** | | | | | |
| **Revenue** | 27,646 | 34,650 | 8,018 | – | **70,314** |
| **(Loss) Profit before tax** | (5,289) | (1,057) | 831 | (3,454) | **(8,969)** |

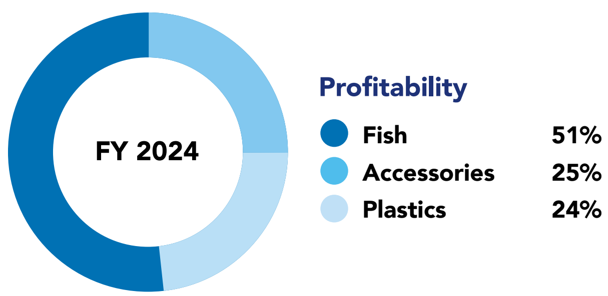
**Fish -**
includes fish farming, breeding, distribution and trading of ornamental fish and aquaculture products;

**Accessories -**
includes manufacturing and distribution of aquarium and pet accessories;

**Plastics -**
includes manufacturing and distribution of plastic bags; and

**Others -**
includes Corporate Office and consolidation adjustments which are not directly attributable to a particular business segment above.




# Fish

The Group engages in the total ornamental fish process, which includes import, export, breeding, quarantine, conditioning, farming, wholesales and distribution activities.

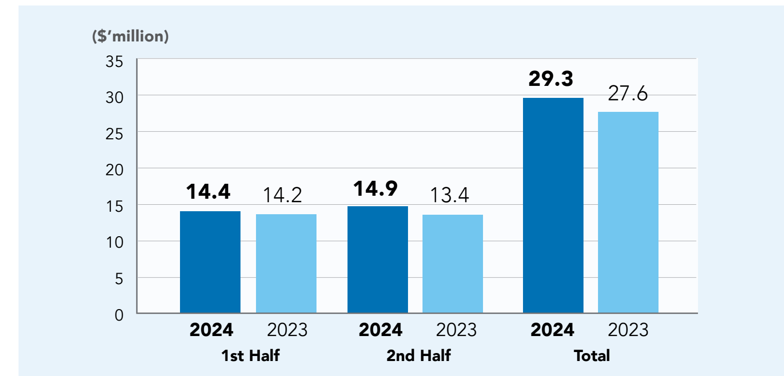
Through its distribution hubs in Singapore, Malaysia, China, Thailand and Indonesia, Qian Hu exports over 1,000 species and varieties of ornamental fish directly to more than 80 countries and cities as well as distributes to domestic retailers and exporters.

In 2017, the Group kick-started its aquaculture business, farming antibiotic-free edible fish fingerlings in Hainan Province, China. It also deals in the export of edible fish and seafood from Hainan to Southeast Asia, and the import of other edible fish and seafood from the rest of the world into China.

### REVENUE

Despite ongoing trade tensions and the evolving geopolitical landscape, the revenue contribution from the fish export business has stabilised in FY 2024. In the aquaculture segment, a broader product range and expanded offerings led to an increase in customer orders. These have contributed to an improvement in fish revenue in FY 2024 as compared to FY 2023.

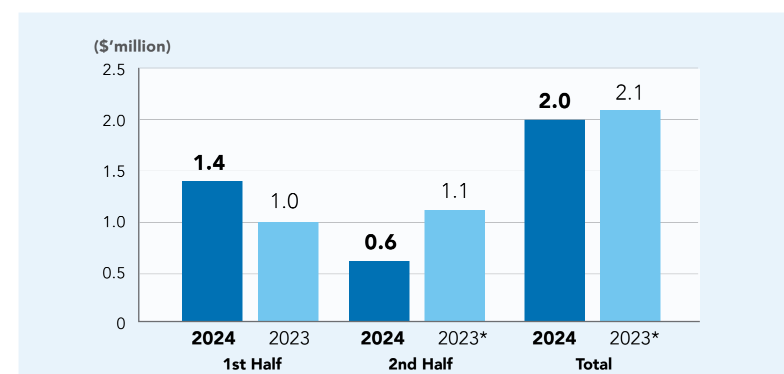
The Group will continue strengthening resilience in its aquaculture and ornamental fish supply chains, with a focus on expanding intensive farming technologies for both businesses to meet future demand in the Asian region. Additionally, it will persist in efforts to boost the export of ornamental fish by broadening its customer base and reaching more countries worldwide, leveraging its export hubs in Singapore, Malaysia, Thailand and Indonesia.




### PROFITABILITY

In FY 2023, following the Group's strategic decision to scale back its efforts in breeding dragon fish, a substantial portion of brooder stocks was disposed of, resulting in a loss on biological assets amounting to approximately $7.4 million.

In line with the higher revenue contribution, the overall profitability for the fish segment rebounded in FY 2024. Nonetheless, the improvement in profitability was offset by a decline in handling income, which aligned with the decrease in transshipment activities during the current financial year.




* Profitability excludes the loss on biological assets

# Financial Review

## Accessories

The distribution of accessories complements the ornamental fish operations by providing a "one-stop" shop to meet customers' aquarium needs.

The Group distributes more than 3,000 types of aquarium and pet accessories of our own proprietary brands and for more than 10 major manufacturers and principals to local retailers and wholesalers mainly in Asia and Singapore.

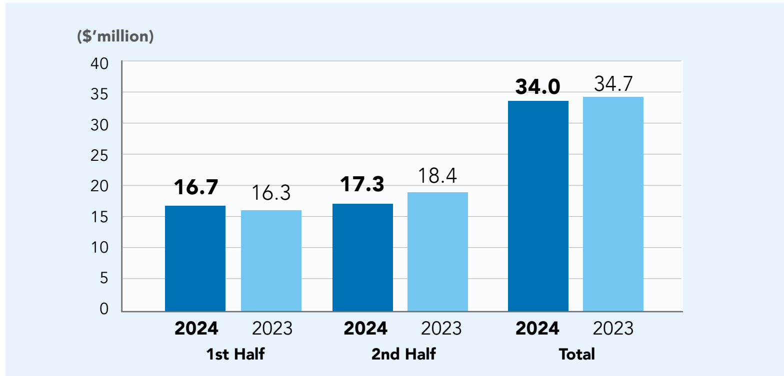
In addition, since 2004, Qian Hu has a chain store concept, "Qian Hu – The Pet Family" with retail stores in Malaysia.

All the retail stores sell both ornamental fish and related aquarium & pet accessories while some stores also provide pet grooming activities.

### REVENUE

Despite the Group's dedicated efforts to focus on selling more of its proprietary brand of innovative products, revenue from accessories export activities was impacted by weakening global demand and conservative purchasing sentiments. Customers were more cautious in their procurement decisions due to geopolitical tensions and economic uncertainties during the financial year, leading to a decline in overall accessories revenue in FY 2024 as compared to FY 2023.

The Group will continue to leverage its existing distribution network, infrastructure, and customer base to explore untapped markets.

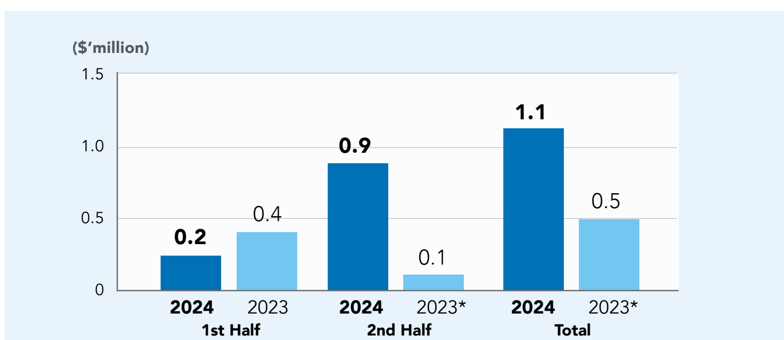



### PROFITABILITY

In FY 2023, this business segment registered an allowance of approximately $1.5 million for obsolete and slow-moving inventory. This arose from an inventory profiling and assessment exercise conducted by the Group to streamline and optimise inventory holdings.

The profitability from the accessories segment in FY 2024 also included a one-time compensation income following a land expropriation by the local government in China of approximately $0.4 million.

Despite the decline in revenue contribution from the accessories business in FY 2024, operating profit (excluding compensation income) was higher as compared to FY 2023. The Group's ongoing efforts to review and streamline inventory management processes, coupled with improved margins from selling more in-house proprietary products, have contributed to the profitability of this business segment.




* Profitability excludes allowance for obsolete and slow-moving inventory

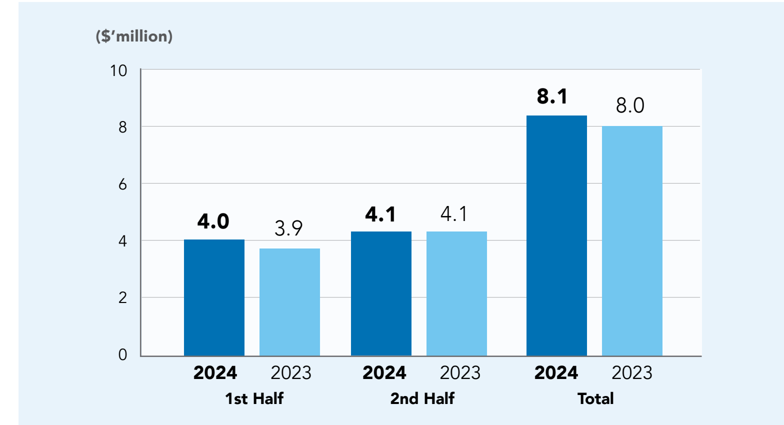


## Plastics

The Group manufactures plastic bags for its own use in the packing of ornamental fish for sale in a separate factory located in Woodlands. The plastic bags are also supplied to third parties in the ornamental fish, food, electronics and healthcare industries.

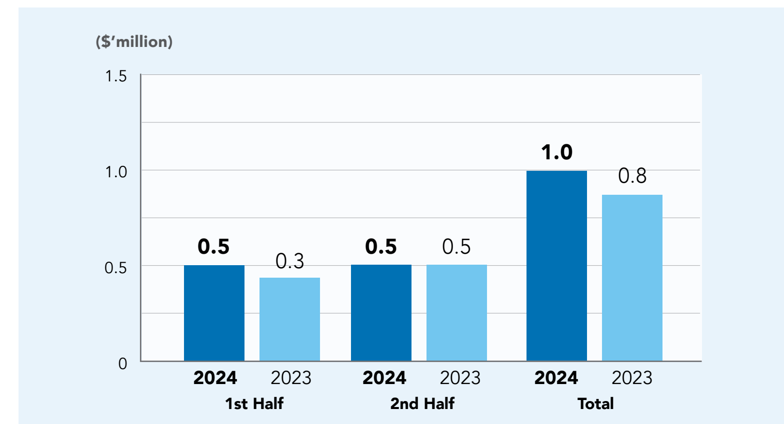
### REVENUE

Revenue from plastics activities registered marginal growth in FY 2024 with the stabilisation of customer base and focusing on generating revenue through products with sustainable margins. These include essential items used to enhance hygiene protocols in the healthcare and waste management sectors, as well as in the hospitality segment.




### PROFITABILITY

In line with the growth in revenue registered in FY 2024, profit from the plastics segment improved considerably, driven by favorable raw material prices which resulted in better margin yields, as well as difference in the sales mix between the two financial years.



# Financial Review

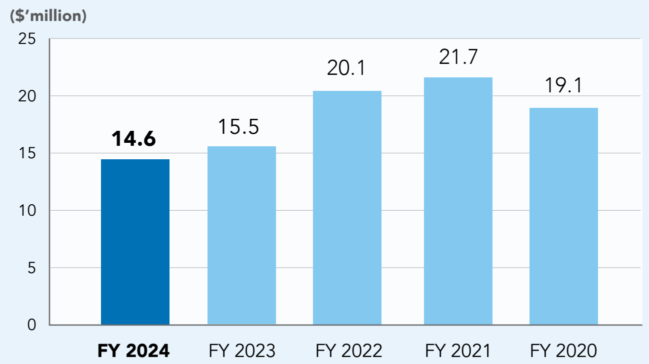
## Capital Management

The Group maintains a strong balance sheet (Statement of Financial Position) and an efficient capital structure to maximise returns for shareholders. The Group has sufficient cash and cash equivalents and an adequate amount of standby credit facilities. Working capital requirements and capital expenditures are financed through a mix of short-term money market borrowings and long-term loans.

As at 31 December 2024, credit facilities in the form of short-term loans, bank overdrafts, letter of credit and other banking facilities provided by major banks to the Group amounted to approximately $20.6 million (2023: $19.7 million) of which approximately $4.5 million (2023: $5.0 million) was utilised.

### CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents decreased by approximately $0.9 million in FY 2024 to $14.6 million as compared to approximately $15.5 million a year ago. The decrease was primarily due to the repayment of bank borrowings and lease liabilities.




The movements in cash and cash equivalents during both financial years are set out as follows:

The improvement in **net cash from operating activities** for FY 2024 was mainly due to higher profits registered, coupled with lower inventory held during the financial year. In addition, the Group was able to better manage cash flow by extending credit terms with non-trade suppliers for purchases made.

**Net cash used in investing activities** in FY 2024 was mainly related to capital expenditure incurred for the purchase of building, equipment, motor vehicles, as well as ongoing enhancements to farms and other facilities both in Singapore and overseas.

**Net cash used in financing activities** was for the settlement of bank loans and lease liabilities, payment of dividends to the non-controlling shareholder of a subsidiary, as well as servicing of monthly interest payments. In addition, there was a payment of dividend made to the shareholders of the Company in April 2024.

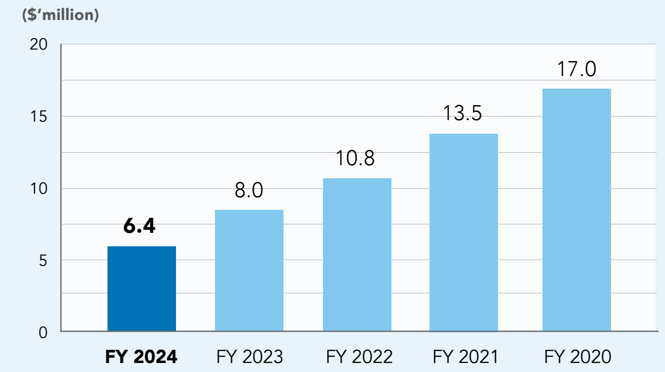
| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Net cash from operating activities | 4,029 | 3,355 |
| Net cash used in investing activities | (2,314) | (1,296) |
| Net cash used in financing activities | (2,788) | (6,327) |
| Net decrease in cash and cash equivalents | (1,073) | (4,268) |
| **Cash and cash equivalents as at end of year** | **14,631** | **15,546** |

### LOANS AND BORROWINGS

The Group borrows from local and foreign banks mainly in the form of short-term loans.

As at 31 December 2024, there were corporate guarantees given by the Company to financial institutions for banking facilities extended to subsidiaries amounting to approximately $5.0 million (2023: $1.6 million).

The Group uses gross gearing ratio (total liabilities as a percentage of total equity) to measure the debt leverage. As at 31 December 2024, the gross gearing ratio decreased to 0.38 times, down from 0.41 times in FY 2023, primarily due to a reduction in external borrowings.




The amounts of Group's borrowings for both financial years are as set out below:

The weighted average effective interest rate relating to **bills payable to banks** is 4.90% per annum. These bills matured within one to three months from 31 December 2024.

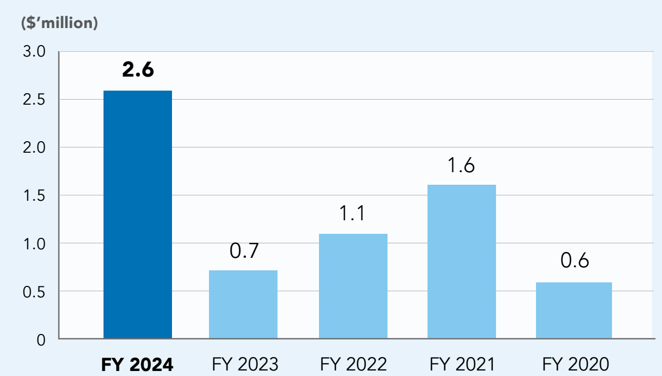
The unsecured **bank term loans** are revolving loans with several banks, bearing interest at rates ranging from 4.08% to 4.14% (2023: 4.75% to 5.01%) per annum, and are repayable within the next 12 months from the financial year end.

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Current liabilities:** | | |
| Bills payable to banks (unsecured) | 74 | – |
| Lease liabilities | 1,337 | 1,387 |
| Bank term loans (unsecured) | 4,500 | 5,000 |
| | 5,911 | 6,387 |
| **Non-current liabilities:** | | |
| Lease liabilities | 527 | 1,563 |
| **Total loans and borrowings** | **6,438** | **7,950** |

### CAPITAL EXPENDITURE

In FY 2024, the noticeable increase in capital expenditure was mainly due to partial payment made for the purchase of an office cum warehouse building in Selangor, Malaysia, as well as investment in office equipment and motor vehicles.

In addition, there were ongoing enhancements made to the farm and other facilities in Singapore and overseas to improve productivity and operational efficiency.



# Financial Review

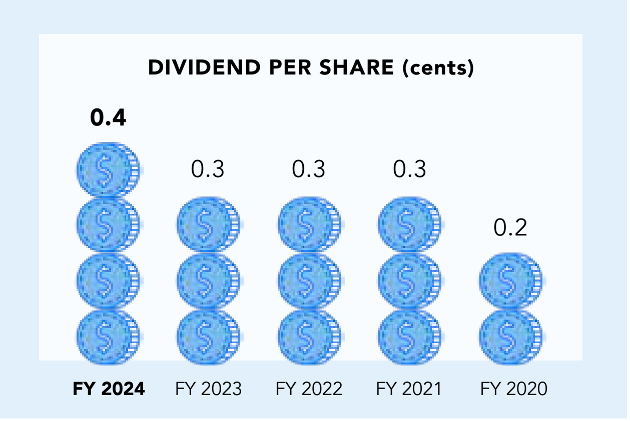
## Dividends and Shareholders' Return

Qian Hu has made long-term capital growth for the benefit of its shareholders a top priority. As such, the majority of its profits, when generated, will be retained for future investments. However, the Company acknowledges the desire of some shareholders to receive income from their investments. Therefore, the Company strives to distribute an appropriate amount of dividends each year, whenever its cash flow allows, to reward shareholders for their loyalty and ongoing support.

Qian Hu has formalised its dividend policy to provide a return to shareholders at least once a year through the payment of dividends. The Company aims to pay a sustainable and growing dividend over time, aligned with long-term growth prospects. The form, frequency, and amount of dividends declared each year are determined based on the Group's financial performance, cash flow generation, projected capital requirements for business growth, general global economic conditions, and other relevant factors deemed appropriate by the Directors, to ensure that the best interests of the Company are upheld.

Subject to the shareholders' approval at the forthcoming Annual General Meeting to be held on 3 April 2025, the Directors proposed a first and final one-tier tax exempt dividend of 0.4 Singapore cent per share to be paid on 30 April 2025 in respect of the year ended 31 December 2024. For the previous financial year end, the Company paid a final cash dividend of 0.3 Singapore cent per share.

The Company has been declaring dividends every year since its Initial Public Offer (IPO) in Year 2000 (except for FY 2004 and FY 2016). Total dividend payout since then amounting to approximately $27.3 million, including the $454K of dividend proposed for FY 2024.






# Sustainability Report

## Contents

# Sustainability Report

## INTRODUCTION

As we publish Qian Hu Corporation Limited's ("Qian Hu") 14th annual sustainability report this year, we reaffirm our steadfast commitment to embedding sustainability across all facets of our business since the launch of our first report in FY 2011.

Our Sustainability Report 2024 ("Report") outlines our sustainability strategies, priorities and performance, providing insights into how we integrate environmental, social and governance ("ESG") considerations into our operations and decision-making processes. The Report complements the financial and risk-related disclosures in our Annual Report 2024, offering a holistic perspective on how Qian Hu strives to create enduring value while advancing environmental stewardship and fostering better livelihoods for the communities we serve.

This Report covers ESG initiatives and data from our operational markets – Singapore, Malaysia, China, Thailand, and Indonesia – unless specified otherwise. All financial data is reported in Singapore dollars for the year 1 January 2024 to 31 December 2024 ("FY 2024"). No significant changes occurred in our business sectors, value chain, or key relationships during the reporting period.

At Qian Hu, we prioritise transparency and comparability in our sustainability disclosures, reflecting our commitment to meaningful accountability. This Report has been prepared with reference to SGX-ST Listing Rules 711A & 711B and Practice Note 7.6 of the Sustainability Reporting Guide and follows the internationally recognised Global Reporting Initiative ("GRI") Standards 2021 framework. Additionally, it draws on the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") and aligns our initiatives with relevant United Nations Sustainable Development Goals ("UN SDGs").

The GRI Standards 2021 framework was selected as the foundation for this Report due to its comprehensive structure and relevance across material sustainability topics, enabling us to engage effectively with stakeholders and convey our performance and progress in sustainability.

This Report has not undergone external assurance. Instead, we relied on internal verification processes to ensure the accuracy and integrity of data relating to the selected ESG factors. As we continue to enhance our sustainability reporting framework, we are committed to progressively strengthening our internal review processes and exploring external assurance in future reporting cycles, as appropriate.

We value your feedback as it plays a crucial role in shaping and enhancing our sustainability practices and reporting efforts. If you have any comments, questions, or insights regarding this Report, we invite you to share them with us at **feedback@qianhu.com**.

## MESSAGE FROM OUR BOARD

**Dear Stakeholders,**

2024 has been a defining year for Qian Hu as we continued our journey of sustainability amidst a complex global environment. In this 14th Sustainability Report, we outline the year's key milestones, as well as our ongoing commitment to making a difference in our businesses.

The Group has embarked on transformative initiatives to strengthen our commitment to environmental stewardship this year, while nurturing a culture of excellence and inclusivity.

### Tracking Towards A Low-Carbon Future

Recognising the urgent need for climate action, we conducted our maiden Climate Scenario Analysis ("CSA") this year to better understand the potential impact of climate change on our businesses. These climate-related challenges require proactive measures such as investments in technology and infrastructure to mitigate any operational impact.

For instance, rising temperatures from heatwaves and chronic increases in air temperatures could elevate operational costs through higher cooling demands, water regulation and aeration for fish health. Rising sea levels or riverine flooding may damage infrastructure, increase maintenance costs and threaten freshwater supplies. The market shift toward eco-friendly products might also result in higher capital costs for new machinery and biodegradable materials, while the transition to zero-emission technologies could be capital-intensive and operationally disruptive.

The CSA is therefore designed to guide and inform our strategic planning, enhance our resilience and ensure we remain agile and well-prepared to address emerging climate challenges for overall business continuity.

Furthermore, we are well aligned with the recommendations of the TCFD by monitoring and reporting to include Scope 1, 2 and 3 greenhouse gas emissions. This underscores our comprehensive approach to decarbonisation, allowing us to identify opportunities for reducing emissions throughout our value chain and setting evidence-based targets for a low-carbon future.

In our Aquaculture and Ornamental Fish sectors, we have also continued to innovate and lead. Our sustainable breeding practices have been bolstered by continued investments in technology and research such as the eco-friendly Aqua-Ring Technology systems, which enable us to improve operational efficiency as we minimise environmental impact.

### Collaborating For A Better Future

We inked a partnership with local firm N&E Innovation during the year, marking a key milestone in Qian Hu's commitment to sustainability and innovation. N&E innovations patented antimicrobial technology addresses critical challenges in pet care by offering a safer, eco-conscious alternative to traditional disinfectants.

Designed to effectively eliminate harmful bacteria and viruses without harsh chemicals, this technology not only improves animal welfare but also equates to less chemical usage.

This forward-thinking collaboration enables Qian Hu to improve our operational efficiency while minimising environmental impact and align our practices with global demands for more sustainable, eco-friendly practices. We intend to incorporate this technology into our Pet Accessories business as a start, with a view to further expand its benefits across our other product lines in time to come.

This year, the introduction of new leadership has also been a pivotal moment for Qian Hu. Under the stewardship of our Executive Chairman and CEO, Mr Yap Kok Cheng, and the senior management team, we have embraced fresh perspectives and strategies that align with our long-term vision. We are hopeful that our renewed focus on innovation, collaboration and resilience will propel Qian Hu into the next phase of sustainable growth and global competitiveness.

### Nurturing Our People, Our Core

At the heart of our success is our people. Qian Hu's culture is built on respect, inclusivity and empowerment, creating an environment where employees thrive and excel. This year, we have deepened our investment in talent development by providing training programmes and initiatives that foster a culture of continuous improvement.

With a focus on developing leadership skills, encouraging innovation and promoting well-being across teams, we firmly believe that our employees' creativity and passion are key to driving meaningful change within our organisation and beyond.

We also take pride in fostering a culture that values diversity and collaboration. By promoting open communication, teamwork and shared accountability, we cultivate a sense of belonging that inspires our people to contribute to both our business success and the communities we serve.

As we reflect on the progress made in FY 2024, we remain deeply committed to addressing the evolving needs of all our stakeholders, including employees, customers, investors and communities. By aligning our actions with their expectations, we aim to create long-term value and drive positive change that extends beyond our organisation. Moving forward, Qian Hu will continue to lead with purpose, innovate with integrity and champion sustainability to deliver meaningful outcomes for all.

Sincerely,

**The Board of Directors**
Qian Hu Corporation Limited

# Sustainability Report

## OUR APPROACH

### Structuring Our Governance Framework

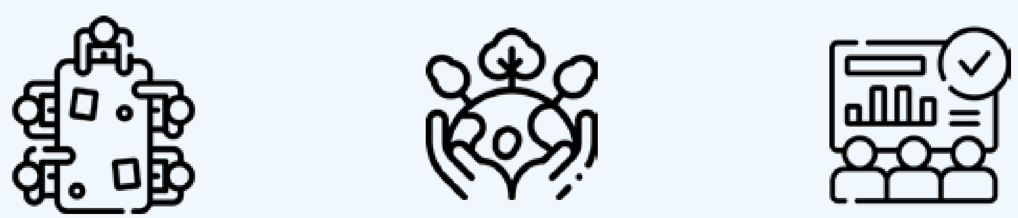
Qian Hu has established a robust governance framework to steer, oversee and manage our sustainability efforts, ensuring that material ESG topics are seamlessly integrated into our corporate agenda. This framework underpins our commitment to safeguarding long-term interests and delivering value to our stakeholders.

Our **Board of Directors** holds ultimate responsibility for shaping and overseeing the Group's sustainability strategy and reporting. The Board regularly reviews our sustainability direction, including our approach to climate change, aligning with our overall business strategy while considering current trends, economic conditions, and geopolitical factors that may impact the Group. Updates on sustainability initiatives and progress are provided to the Board on a regular basis, with an annual review of the sustainability strategy to ensure relevance and effectiveness.

The Board is supported by the **Sustainability Committee** which is chaired by the Executive Chairman and CEO. This Committee leads the Group's sustainability initiatives, including establishing performance benchmarks and key performance indicators to measure progress effectively.

The Sustainability Committee is further supported by the **Sustainability Reporting Team**, comprising representatives from each operating entity, where each is responsible for specific sustainability reporting roles. This core team plays a pivotal role in implementing and managing ESG initiatives across the Group. By collaborating on sustainability projects and sharing best practices, the team ensures alignment and drives meaningful progress in the Group's sustainability programmes.

**ESG Governance Structure**



| BOARD OF DIRECTORS | SUSTAINABILITY COMMITTEE *(Chaired by Executive Chairman and CEO)* | SUSTAINABILITY REPORTING TEAM *(Representatives from each operating entity)* |
|---|---|---|
| Reviews sustainability strategy and provides oversight of sustainability direction, including climate change agenda | Identifies key sustainability areas, sets targets and incorporates performance indicators | Manages execution of sustainability policies, initiatives and programmes |

### Engaging with Our Stakeholders

Our stakeholders are individuals or entities significantly impacted by our activities, products and services. Regular and meaningful engagement with them allows us to understand their expectations and concerns, ensuring that we align our business priorities with shared interests while driving our ESG initiatives forward. These interactions also help us identify new opportunities inspired by their feedback.

For each stakeholder group, we have identified key issues and established dedicated engagement platforms to foster open communication. In FY 2024, our stakeholder engagement approach revealed no significant negative impacts resulting from our business activities or operations on any stakeholder group.

**Approach to Stakeholder Engagement**

| Key Stakeholders | Engagement Methods | Interests and Concerns | Our Responses |
|---|---|---|---|
| **Customers** | • Site visits and/or meetings<br>• Social media platforms<br>• Trade fairs/exhibitions<br>• Feedback through emails and phone calls | • Customer satisfaction<br>• Quality products and services<br>• Product pipeline<br>• Sustainability efforts<br>• Customer data privacy | • Feedback platforms available – active listening<br>• Good customer service and prompt resolution of feedback<br>• Product training<br>• Professional and ethical standards in business conduct<br>• Strong data security |
| **Suppliers** | • Site visits and/or meetings<br>• Feedback through emails and phone calls<br>• Vendor evaluation and assessments | • Product quality assurance<br>• Supply chain management<br>• Fair payment terms | • Supplier Code of Conduct<br>• Vendor selection process<br>• Pilot programmes to share best practices to support and empower local farmers |
| **Employees** | • Performance appraisal discussions<br>• Half-yearly staff dialogue and sharing sessions<br>• Mobile-based chat groups<br>• Regular floor walks<br>• Annual employee opinion surveys<br>• Bi-annual "Fish Matrix" in-house newsletters | • Competitive remuneration and benefits<br>• Employee engagement<br>• Talent retention<br>• Workplace health and safety<br>• Training and career development<br>• Mutual trust and respect | • Fair and progressive human resource policy<br>• Training opportunities and career development<br>• Talent management and succession planning<br>• Employee bonding sessions<br>• Healthcare and Employee Assistance Programme<br>• Whistle blowing policy |
| **Community** | • Community engagement programmes<br>• Sustainability reporting | • Good corporate citizenship<br>• Positive impact on the environment | • Educational farm tours<br>• Employee community programmes and initiatives<br>• Business community interactions and sharing sessions |
| **Investors** | • Corporate website<br>• Annual Reports<br>• SGXNET announcements<br>• Annual General Meetings ("AGM") and AGM minutes<br>• Sustainability Reports<br>• Investor Relations emails and Q&A<br>• Media releases and interviews | • Financial performance<br>• Stable growth and sustainable returns<br>• Strong corporate governance and transparency<br>• Risk management practices<br>• Sustainability efforts | • Competent Board and management<br>• Financial prudence<br>• Robust corporate and risk governance structure<br>• Timely reporting and disclosure |
| **Regulators** | • Official circulars<br>• Email correspondences<br>• Seminars and conferences<br>• Dialogue and feedback sessions | • Ethical and regulatory compliance<br>• Environmental and social impact | • Compliance with regulatory requirements and guidelines<br>• Strong governance and controls over operational and financial risks<br>• Regular communications and participation in dialogue with government agencies and regulators on statutory requirements and new developments |

# Sustainability Report

## Assessing Our Materiality and Identifying ESG Topics

In FY 2022, Qian Hu conducted a comprehensive materiality assessment workshop to identify key areas of significance across economic, environmental, social and governance dimensions. These areas of concern were aligned with material topics under the GRI Standards 2021 and relevant UN SDGs, then prioritised based on their impact on the business and stakeholders' decision-making processes.

The management team validated these material topics and their prioritisation before presenting them to the Board. Following a review and refinement process incorporating feedback from the directors, the Board approved the final list of material topics for inclusion in the Sustainability Report.

Our approach to materiality is 4-pronged:

**1. Identify**
The material ESG topics were identified and assessed through stakeholder interviews with consideration of sector-specific risks and opportunities.

**2. Prioritise**
The material ESG topics were prioritised based on the level of their impact and their influence on stakeholders' decisions.

**3. Validate**
The materiality assessment and results were subsequently reviewed and endorsed by the management and the Board.

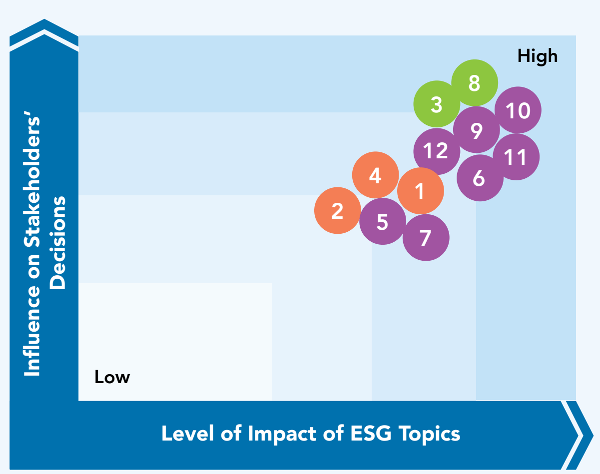
**4. Integrate**
Incorporate the material ESG topics into our governance frameworks, risk management practices, strategic planning and stakeholder reporting.

In alignment with the International Sustainability Standards Board ("ISSB") Sustainability Disclosure Standards, which are endorsed by the Monetary Authority of Singapore ("MAS"), Singapore Exchange ("SGX") and Accounting and Corporate Regulatory Authority ("ACRA"), we assess ESG issues that are material to Qian Hu. This includes considering both financial and non-financial information, such as the impact of climate-related risks and opportunities.

We have identified 12 ESG topics that are most relevant to our business operations and stakeholders. These topics are reviewed annually to ensure they remain aligned with the evolving global, economic, and business landscape. Given the stability of our business model, the material topics remain consistent with those reported in FY 2023.

We are committed to regularly re-evaluating these topics through ongoing stakeholder engagement. This approach ensures we capture diverse perspectives and focus our sustainability efforts on the areas that matter most to our business and our stakeholders.

The materiality matrix below shows the ESG topics identified and their prioritisation based on how these would impact the Group and stakeholders' decisions.




**ESG Topics**

1 Animal Welfare
2 Biodiversity
3 Business Ethics
4 Climate Change
5 Community Engagement
6 Customer Satisfaction
7 Diversity and Equality
8 Economic Performance
9 Health and Safety
10 Innovation
11 Supply Chain Management
12 Training and Development

Environment
Social
Governance



## Our Performance Against Targets

The table below highlights how we have mapped our material ESG topics to selected UN SDGs, relevant GRI Topic Standards where applicable, as well as our FY 2024 performance against targets.

| Material ESG Topics | UN SDGs | GRI Topic Standards | FY 2024 Performance | Commitments and Targets |
|---|---|---|---|---|
| **Climate Change**<br>• **Energy and Emissions**<br>• **Water Management**<br>• **Waste Management**<br>*Climate action is a business imperative.*<br>*We need to address and manage the impact of climate change on our business.* | 6, 12, 13 | • GRI 302: Energy<br>• GRI 303: Water and Effluents<br>• GRI 305: Emissions<br>• GRI 306: Waste | • Energy consumption – 5,718 MWh (2023: 5,725 MWh)<br>• Energy use intensity – 30 kWh/$m^2$ (2023: 35 kWh/$m^2$)<br>• Water consumption – 212,923 $m^3$ (2023: 219,976 $m^3$)<br>• Water use intensity – 1.12 $m^3/m^2$ (2023: 1.36 $m^3/m^2$)<br>• Plastic waste recycled – 91 tonnes (2023: 96 tonnes)<br>• Greenhouse gas ("GHG") Emissions Scope 1 and Scope 2 – 3,488 $tCO_2e$ (2023: 3,499 $tCO_2e$) Scope 3 – 56,359 $tCO_2e$ (2023: 55,028 $tCO_2e$) | For Energy and Water (Baseline Year – FY 2020):<br>• Short-term Target (by FY 2025) – Reduction of 10%<br>• Medium-term Target (by FY 2028) – Reduction of 12%<br>• Long-term Target (by FY 2035) – Reduction of 15% |
| **Animal Welfare**<br>*We deal with livestock and are responsible for keeping animal welfare in mind and maintaining the well-being of animals under our care.* | 14, 15 | • GRI 13.11: Animal Health and Welfare | • Average monthly in-house fish loss rate at 6% (2023: 5%) | • Maintain an in-house fish loss rate of not more than 5% |
| **Biodiversity**<br>*We are conscious of our business activities' impact on ecosystems and habitats.* | 14, 15 | • GRI 304: Biodiversity | • To the best of our knowledge, there were no reported incidents of significant impacts on biodiversity in the areas where we operate | • Operate in accordance with all laws and regulations, and strive to minimise any impacts on biodiversity in the areas where we operate |
| **Training and Development**<br>*We continuously identify and groom talent in our niche sector to ensure that the Group is well-positioned to fulfil its business objectives and move towards long-term sustainable growth.* | 4, 8 | • GRI 404: Training and Education | • Average of 15.6 training hours per employee (2023: 13.2 training hours) | • Average of 16 training hours per employee per year |

# Sustainability Report

## Our Performance Against Targets (Cont'd)

| Material ESG Topics | UN SDGs | GRI Topic Standards | FY 2024 Performance | Commitments and Targets |
|---|---|---|---|---|
| **Health and Safety**<br>*Our operating environment requires us to pay utmost attention to the health and safety of our employees.*<br>*Disregarding health and safety aspects can have detrimental effects on the organisation and the well-being of our employees and customers.* | 3<br>8<br>16 | • GRI 403: Occupational Health and Safety<br>• GRI 416: Customer Health and Safety<br>• GRI 417: Marketing and Labelling | • Zero fatalities and one reportable workplace accident<br>• No instances of non-compliance with regulations and voluntary codes related to products and service information | • Zero fatalities and workplace accidents across operations in all business locations<br>• Assess our accessories products for health and safety impacts through quality checks and supplier labels |
| **Customer Satisfaction**<br>*Our customers are crucial to our long-term sustainability.*<br>*We provide our customers with high-quality goods, dependable service and attentive after-sales support. We are also committed to having strong data privacy and security policy.* | 16 | • GRI 418: Customer Privacy | • Dead-On-Arrival rate for fish sales at 2% (2023: 2%)<br>• Zero incidents of non-compliance with Personal Data Protection Act ("PDPA") 2012 | • Continue to enhance customer satisfaction level with improved service and quality products<br>• Uphold the highest standards of customer data privacy protection<br>• Maintain the Dead-On-Arrival rate for fish sales of not more than 3% |
| **Innovation**<br>*To meet the evolving needs of our customers, innovation is crucial to staying relevant and maintaining our leadership in our business sectors.* | 9 | – | • 23 new products were launched (2023: 13)<br>- Aquarium Accessories: 8<br>- Pet Accessories: 15 | • Develop more than 10 new products per year |
| **Supply Chain Management**<br>*We need to maintain a reliable and sustainable supply chain to minimise potential disruptions to our business operations.* | 8<br>12<br>16 | – | • Communicated our "Supplier Code of Conduct" to suppliers | • Drive responsible business practices across the supply chain |

| Material ESG Topics | UN SDGs | GRI Topic Standards | FY 2024 Performance | Commitments and Targets |
|---|---|---|---|---|
| **Business Ethics**<br>*We uphold the highest ethical standards and conduct our business in compliance with all relevant laws and regulations.* | 16 | • GRI 205: Anti-corruption | • No known cases of non-compliance with relevant laws and regulations<br>• No incident of whistle blowing<br>• Half-year results (unaudited) released on 19 July 2024 and full year results (audited) released on 15 January 2025<br>• "Best Risk Management – Silver" award at the Singapore Corporate Awards 2024 | • Zero-tolerance on corruption and fraud<br>• Whistle blowing procedures<br>• Commitment to release financial results no later than 20 days from the half-year end (unaudited results) and 15 days from the financial year end (audited results)<br>• Continuous strengthening of the enterprise risk management framework |
| **Economic Performance**<br>*Our internal and external stakeholders expect us to deliver stable and sustainable financial performance and value-added contribution.* | 8 | • GRI 201: Economic Performance | • Group Revenue – $71.4 million (2023: $70.3 million)<br>• EBITDA - $3.9 million (2023: $(5.6) million)<br>• Profit (Loss) attributable to the owners of the Company – $0.4 million (2023: $(9.3) million)<br>• Earnings (Loss) per share – 0.31 cents (2023: (8.17) cents)<br>• Net assets per share – 35.04 cents (2023: 34.79 cents)<br>• Final dividend of 0.4 cents per share – totalling approximately $454K (2023: 0.3 cents)<br>(See pages 30 to 40 of this report for further details) | • Revenue and profit growth<br>• New business initiatives<br>• Sustainable dividend payout<br>• Prudent capital management |

**Non-Material ESG Topics**

**Diversity and Equality**

*Qian Hu inevitably has more male employees in our operational team due to the industry's workforce demographics and the nature of our operations. We acknowledge the circumstances and will continue to practise inclusive hiring and strive to develop a diverse talent pool where feasible.*

**Community Engagement**

*We have been actively involved in societal and community contribution efforts since our early days. We will continue with our commitment in giving back to local communities through various channels.*

For a detailed breakdown of our FY 2024 performance and targets on the respective material ESG topics, please refer to pages 58 to 76 of this Annual Report.

# Sustainability Report

## CHARTING IMPACT FOR OUR PLANET

***Driving impactful environmental efforts to protect our resources and ecosystems.***

*We believe that preserving the balance of our environment begins with intentional action. From reducing our carbon footprint to innovating resource-efficient practices, Qian Hu is dedicated to protecting the ecosystems that support our businesses and our communities. By focusing on impactful, measurable initiatives, such as minimising our water and energy footprint and cutting waste, we are charting a long-term sustainable course that nurtures both our operations and our natural surroundings.*

### Our Decarbonisation Efforts

Recognising the profound impact of climate change on the environment and society, Qian Hu actively mitigates potential effects across our operations while striving to enhance climate resilience and ensure sustainable growth.

- **TCFD Risk Management and Implementation Roadmap**

Since adopting the TCFD framework in FY 2022, we have been dedicated to strengthening our business resilience in response to climate change. The Group has taken a phased approach to studying, identifying, analysing and addressing climate-related risks and opportunities, along with their implications for our business.

FY 2022 was our first-year reporting on these climate-related disclosures, where we described the governance structures and the processes for identifying and managing climate-related risks, and identified the risks and opportunities, and mitigating actions brought by global climate change.

In FY 2023, we further categorised and assessed the potential impacts of the climate-related risks and opportunities identified over the short (within 2 years), medium (3 to 5 years) and long term (beyond 5 years) which are relevant to the Group.

We have also disclosed our Scope 1 and Scope 2 GHG emission data in FY 2022 and selected Scope 3 GHG emission categories, with the respective measurement methodology, in FY 2023.

This year, we dive deeper into the formulation of business strategy and financial planning related to the identified climate-related risks. This includes a qualitative climate scenario analysis ("CSA") and the full integration of climate-related risks into our overall organisation risk management framework.

Looking ahead, we will advance our efforts by incorporating quantitative climate scenario analysis to assess climate-related impacts and setting actionable targets in subsequent years.

The TCFD with 11 recommended disclosures across four pillars, namely governance, strategy, risk management, metrics and targets, is set out on pages 82 to 84 of this Annual Report.

- **1st Climate Scenario Analysis**

In FY 2024, we engaged a third-party consultant to conduct our first qualitative CSA, covering all our business segments and assets across the five countries where we operate.

Based on an initial review of our existing climate-related disclosures, climate models, transition trends and peer practices, we carried out a risk assessment by identifying the potential risks and opportunities. We then evaluated each risk and opportunity through an Enterprise Risk Management ("ERM") framework, considering their potential business and financial impact.

Throughout the process, we engaged our key stakeholders extensively to gather climate insights across our operations and align with business priorities. Our Board and senior management have reviewed and validated the findings to guide decision making and ensure our strategies are aligned. The outcomes are then recorded in a risk register for future updates and reviews.

We identified four physical risks and two transition risks across two scenarios and three time horizons, with potential implications on our financial performance and operations. This analysis, alongside our progress in FY 2024, has strengthened our alignment with sustainability reporting requirements such as the ISSB Sustainability Disclosure Standards. In addition, the CSA has provided senior management with valuable insights to refine our business strategy in response to these risks.

This qualitative CSA identified key climate-related risks and opportunities with potential impact, which we further evaluated for their business and financial effects. Detailed parameters, key risks, opportunities and their implications are summarised in the tables below.

| Parameters | |
|---|---|
| **Climate scenarios** | Below 2°C (RCP 2.6) and 4°C (RCP 8.5) |
| **Time horizons** | Short-term (2030), Medium-term (2050) and Long-term (2100) |
| **Types of climate risks**[1] | Physical and Transition risks |
| **Coverage scope** | Singapore, Malaysia, China, Thailand, Indonesia |
| **Property type** | Farms, Factories, Retail Outlets, Offices, etc. |
| **Business segments** | Fish, Accessories and Plastics |

[1] *Physical risks refer to acute or chronic risks related to the physical impacts of climate change, and transition risks refer to risks related to the transition to a lower carbon economy.*

# Sustainability Report

## Climate-Related Risks and Potential Implications

| Risk type | Risk description | Affected time horizon | Potential implications | Resilience measures |
|---|---|---|---|---|
| **Physical Risk** | | | | |
| **Heatwave** (Acute) | • Rising mean air temperatures from heatwaves may drive higher cooling demands for indoor facilities, leading to increased operating costs.<br>• Heatwaves can significantly raise water temperatures, threatening fish health and livestock mortality, which could elevate operational costs for temperature regulation and reduce revenue. | • 2050 | • Reduction in revenue due to interrupted business activities (such as logistics delay and supply chain disruption) with the increase in frequency and intensity of extreme weather events.<br>• Reduction in revenue due to lower breeding output caused by adverse and unprecedented weather conditions.<br>• Higher operating and capital costs for repair works and/or the need to equip with more climate-resilient infrastructure as a result of damage to facilities.<br>• Prolonged high temperatures may decrease the availability of oxygen in the water, impacting the fish's health and ultimately the survival and quality of these fish. | • Actively improve roof insulation to mitigate the heatwaves and rising air temperatures, which in turn safeguards our water temperature and fish health.<br>• Use of Artificial Intelligence ("AI") and Internet of Things ("IoT") technologies, such as AquaEasy, to monitor critical parameters like dissolved oxygen, water pH and fish behaviour. Real-time monitoring mitigates heatwave risks by maintaining optimal water conditions, reducing fish stress and preventing mortality. Also enables swift responses to temperature changes to ensure operational stability.<br>• Multi-Tier Automated Recirculation Holding Tanks across our farms enable efficient water recycling and stable water temperatures. Reduces our operational costs and enhances our resilience against chronic warming conditions by minimising daily water changes.<br>• Utilises the Aqua-Ring Technology ("ART") system at our Singapore farm – an innovative zero-discharge technology which boosts biosecurity, operational efficiency and fish yields while addressing rising temperatures. |
| **Mean Air Temperature** (Chronic) | • Chronic increases in mean air temperatures may drive higher cooling demands for indoor facilities, leading to increased operational costs.<br>• Chronic increases in mean air temperatures may contribute to ocean stratification and harmful algal blooms in warmer surface waters, increasing operational and capital costs for water filtration, replacement and cleaning.<br>• Chronic increases in mean air temperatures may elevate fish metabolic rates, reducing dissolved oxygen and increasing waste production, leading to higher operational costs for pond maintenance and aeration systems. | • 2100 | • Greater use of cooling, water filtration and aeration, may lead to rising operational costs across multiple systems, strain financial resources or impact profitability.<br>• Frequent use of cooling equipment or improved aeration or filtration systems may cause greater wear and tear, leading to higher capital investment due to infrastructure upgrades.<br>• Greater environmental and regulatory pressures could drive the need for sustainable solutions, requiring stricter compliance measures and more potential investments to comply. | • Use of Recirculating Aquaculture Systems ("RAS") to recycle water efficiently and maintain consistent water quality, even with extreme temperatures. Featuring advanced filtration and aeration technologies to minimise ammonia build-up, ensuring optimal conditions for fish health, resulting in cleaner water and promotes stable fish health, particularly under high-temperature stress.<br>• Use of ultraviolet sterilisation and filtration technologies in our water management systems to maintain water quality, remove waterborne pathogens and prevent harmful algal blooms, which are more likely at higher water temperatures.<br>• Use of bacterial nitrification to improve water quality by reducing ammonia and nitrate levels while increasing dissolved oxygen, supporting fish health even with higher metabolic rates from elevated water temperatures.<br>• Conduct regular maintenance of machinery and equipment to ensure maximised operational efficiency.<br>• Actively raise employee awareness of energy consumption and integrate sustainability goals into our daily operations. Includes thoughtful measures such as turning off air conditioning and fans when not in use to minimise energy waste associated with cooling. |

# Sustainability Report

## Climate-Related Risks and Potential Implications (Cont'd)

| Risk type | Risk description | Affected time horizon | Potential implications | Resilience measures |
|---|---|---|---|---|
| **Physical Risk** | | | | |
| **Sea Level** (Chronic) | • Rising sea levels may cause coastal erosion, undermining infrastructure foundations and altering site accessibility, which could lead to costly repairs, reinforcements, or relocations, increasing capital costs.<br>• Rising sea levels may cause saltwater intrusion into aquifers and rivers, jeopardising freshwater supplies for Qian Hu's farm operations and potentially raising water prices, leading to higher operational costs. | • 2100 | • Infrastructure reinforcements, repairs, or potential relocation to mitigate the effects of coastal erosion, increasing capital expenditure.<br>• Alternative freshwater sources or water treatment solutions to counter saltwater intrusion, leading to higher operational costs.<br>• Strategic planning and adaptation measures to address changing site accessibility and water availability, affecting long-term business continuity. | • Construct facilities in areas with low flooding risks and elevate them to mitigate the impact of foundation damage from coastal erosion, rising sea levels and riverine flooding. Reduces infrastructure vulnerabilities and costly future repairs.<br>• Incorporate on-site drainage systems to manage excess water and prevent saltwater intrusion into freshwater resources.<br>• Use of RAS at our farms creates a closed-loop water system, reducing dependence on external freshwater and mitigating risks from rising water salinity and potential freshwater scarcity. Also supports sustainable fish farming by maintaining water quality under changing environmental conditions.<br>• Ensure available backup power sources, such as generators, critical for operating essential systems such as water pumps and monitoring equipment, in the event of infrastructure damage caused by extreme weather events such as riverine flooding.<br>• Conduct regular inspections and proactive maintenance to address potential damage from gradual foundation weakening due to rising sea levels or riverine flooding events.<br>• Proactively engage in scenario planning and infrastructure assessments to address physical climate risks, develop actionable plans to mitigate climate risks such as rising sea levels and riverine flooding, ensuring business continuity and resilience. |
| **Riverine Flooding** (Acute) | • Riverine flood events may damage infrastructure and compromise building structures, leading to costly repairs.<br>• Riverine flood events may damage machinery, equipment and electrical systems, resulting in operational downtime, reduced revenue and increased maintenance and repair costs. | • 2100 | • Costly repairs if infrastructure and building structures are damaged, impacting revenue.<br>• Operational downtime, reduced revenue and higher maintenance expenses if machinery, equipment and electrical systems are affected.<br>• Additional flood mitigation measures to protect assets and ensure business continuity, leading to increased capital and operational costs. | |
| **Transition Risk** | | | | |
| **Market** | • A market shift toward eco-friendly products, especially among climate-conscious consumers, may threaten the commercial viability of plastic bags. Could lead to increased capital costs for investing in new machinery and biodegradable raw materials. | • 2050<br>• 2100 | • Reduce demand for plastic bags and reduce revenue streams, requiring more investment in diversifying offerings or exploring alternative materials.<br>• Investments in new machinery and biodegradable raw materials to adapt to the market shift, resulting in increased capital costs. | • Continually invest in research and development to create low-emission, eco-friendly and sustainable products that meet the growing demand for environmentally-conscious consumer preferences.<br>• Explore biodegradable raw materials to reduce reliance on traditional plastics, aligning with both consumer expectations and regulatory requirements.<br>• Prioritise reducing, recycling and reusing materials, including reintegrating recovered plastic resins into production processes with our waste management programme. Mitigates the increased capital costs of biodegradable alternatives.<br>• Continuously evaluate renewable energy solutions, such as installing solar panels, to reduce our dependency on fossil fuels. Addresses rising operational costs linked to energy-efficient technology transitions and supports our decarbonisation objectives.<br>• Conducted qualitative climate scenario analysis to assess climate-related risks and opportunities, enabling more informed decision-making and operational planning to effectively respond to emerging regulations and technological advancements. |
| **Technology** | • An accelerated shift towards zero-emission technologies and decarbonisation may require Qian Hu to continually upgrade, invest in R&D and adopt new energy-efficient technologies. Can be capital-intensive and operationally disruptive, leading to increased capital and operational costs. | • 2050<br>• 2100 | • Continual upgrades, R&D investment and adoption of new energy-efficient technologies to keep pace with decarbonisation efforts, increasing capital costs.<br>• Operational disruptions during the transition to zero-emission technologies, affecting productivity and efficiency.<br>• Compliance with stricter environmental regulations, leading to potentially higher operational costs. | |

# Sustainability Report

## Climate-Related Opportunities and Potential Implications

| Opportunities | Opportunity description | Potential implications |
|---|---|---|
| **Resource Efficiency** | • Continuously innovating in fish farming to enhance resource efficiency while reducing our carbon footprint e.g. Multi-Tier Automated Recirculation Holding Tank System, implemented across various farms, minimises water consumption by recycling water during the fish quarantine process. This multi-step filtration system essentially breaks down and rapidly removes bio-load, followed by an ultraviolet steriliser to further remove waterborne pathogens, which eliminates the need to change water daily to reduce the ammonia build-up in the tanks and recycles water whilst maintaining the health of our fish.<br>• Use of ART and a single pump system, contributing to energy and water savings while lowering GHG emissions.<br>• Investing in smart aquaculture practices to improve productivity and biosecurity. Leveraging AI and IoT-based technology, cloud-based solution monitors key pond conditions such as dissolved oxygen, water pH and animal behaviour. Enables optimal feeding, enhances productivity, and reduces risks and operational costs. | • Potential long-term savings in the fish business across Singapore, Malaysia, Thailand and China through water recycling and reduction in energy consumption.<br>• Increase in production yield and lower fish mortality.<br>• Reduced exposure to future fossil fuel price increases. |
| **Energy** | • Actively explore the use of electric vehicles and solar energy where feasible, with solar panels already installed at a subsidiary in Thailand to mitigate electricity needs and reduce GHG emissions. These align with policies aimed at mitigating increasing carbon prices. | • Lower operating expenditure across all business segments in all countries through self-generating energy.<br>• Reduced exposure to future fossil fuel price increases.<br>• Lessened impact of rising carbon taxes through potential GHG emission reductions. |
| **Products and Services** | • Committed to advancing R&D efforts to create innovative, low-emission solutions.<br>• Exploring eco-friendly materials for plastic product development to increase product lifespan and durability while reducing environmental impact. Enabling us to meet both shifting customer preferences and reduce our environmental footprint, creating potential opportunities for expansion into new markets. | • Higher revenue through increase in demand for eco-friendly products.<br>• Enhanced customer engagement, stronger brand building and potential expansion to new markets through the development and sale of sustainable products. |

| Opportunities | Opportunity description | Potential implications |
|---|---|---|
| **Market** | • Consider environmental certifications to strengthen our focus on sustainability and enhance credibility. Appeal to international markets seeking trusted, responsible and certified companies. | • Enhanced international reputation, recognition and improved revenue across all business segments in all countries. |
| | • Actively pursue access to green finance by implementing proactive climate strategies, increasing the potential for green bonds and sustainability-linked loans. Also creates opportunities for subsidies and tax incentives that support our climate initiatives. | • Higher levels of green funding across all business segments in all countries. |
| **Resilience** | • Proactive approach to addressing climate risks builds trust and credibility with consumers, investors and regulators, enhancing the Group's reputation in the market. | • Increased funding and revenue across all business segments in all countries. |
| | • Strengthen our supply chain stability by actively investing in research and development for localised fish breeding, enabling greater control over environmental conditions and mitigating the impact of physical risks. | • Enhanced supply chain reliability and operational resilience with unexpected macro-economic issues or diverse conditions.<br>• Growth in revenue from consistent supply availability and strengthened value propositions. |

# Sustainability Report

## Committed to Our Role in Climate Change

Our environmental policy guides us in using resources responsibly, planning for long-term decarbonisation and managing key climate risks and opportunities.

This policy is implemented across all our business entities, and we proactively review processes and systems to ensure the sustainable management of energy, water and waste. Our goal is to build climate-resilient operations that mitigate the impact of climate change on our business.

We remain committed to complying with all relevant environmental laws and regulations in the countries where we operate. There were no instances of non-compliance reported in FY 2024.

Our initiatives helped us effectively manage both water and electricity consumption in FY 2024 compared to previous years. Our targets and current performance for utility reductions are based on FY 2020 as the baseline year and are as follows:

| Environmental Performance Indicators | Parameters | Targets (Baseline Year - FY 2020) | FY 2024 Performance | Tracked Against Targets |
|---|---|---|---|---|
| **Water Consumption** | Intensity ($m^3$/floor area) | Short-term Target (by FY 2025) – Reduction of 10%<br>Medium-term Target (by FY 2028) – Reduction of 12%<br>Long-term Target (by FY 2035) – Reduction of 15% | Water use intensity – 1.12 $m^3/m^2$ (2023: 1.36 $m^3/m^2$) | FY 2025: 75%<br>FY 2028: 64%<br>FY 2035: 50% |
| **Energy Consumption** | Intensity (kWh/floor area) | Short-term Target (by FY 2025) – Reduction of 10%<br>Medium-term Target (by FY 2028) – Reduction of 12%<br>Long-term Target (by FY 2035) – Reduction of 15% | Energy use intensity – 30 kWh/$m^2$ (2023: 35 kWh/$m^2$) | FY 2025: 100%<br>FY 2028: 100%<br>FY 2035: 100% |

In FY 2024, we have successfully further reduced our overall water and energy intensity by 18% and 14% respectively. We are tracking very healthily towards our short-term, medium-term and long-term targets for water consumption. Our targets for energy consumption have been fully met, and as such, we will review these in FY 2025. Meanwhile, we will continue to implement innovative initiatives to further reduce our environmental footprint.

- **Energy Consumption**

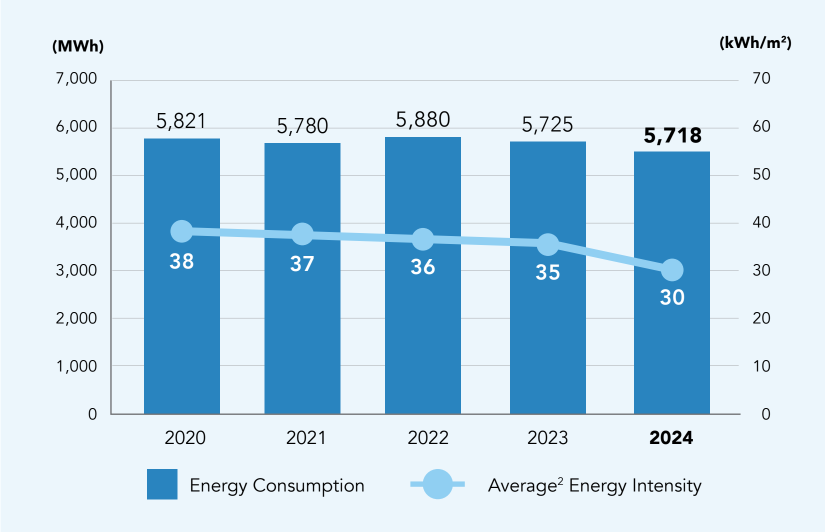
Qian Hu aligns closely with Singapore's national climate goals by actively working to optimise energy consumption and reduce GHG emissions.

Electricity purchased from utility companies, classified as Scope 2 emissions, remains our largest source of emissions, primarily driven by our operational activities. To minimise energy usage, we actively foster employee awareness of energy consumption, integrating sustainability goals into daily operations. This includes practical measures, such as ensuring air conditioning and fans are turned off when not in use, reinforcing the company's commitment to minimising energy waste and improving our energy intensity.

We have also embraced renewable energy solutions where feasible. For example, our subsidiary in Thailand has installed solar panels to generate electricity for specific operational needs. This initiative has helped to lower our carbon footprint, reduce reliance on the national grid, and bring about significant cost savings.

In FY 2024, our group-wide energy consumption totaled 5,718 MWh which was a marginal decrease of 0.1% as compared to 5,725 MWh in FY 2023.

**Energy Consumption and Intensity**




**Total Energy Consumption**

**5,718** (MWh)

5,725 (MWh) in 2023

**Average Energy Intensity**

**30** (kWh/$m^2$)

35 (kWh/$m^2$) in 2023

[2] *The average energy intensity (kWh/m²) is calculated using Total Energy Consumption divided by Total Gross Floor Area*

# Sustainability Report

- **Water Management**

Managing water resources effectively is essential to meet the needs of today, while ensuring there is enough to support future generations.

At Qian Hu, we understand that water is a finite resource that must be used responsibly, particularly in our fish segment, which relies heavily on a clean and consistent water supply. Poor water management can negatively impact the health and growth of fish, while climate change events, such as droughts or irregular precipitation, pose additional risks to our operations and supply chain.

In water-scarce Singapore, Qian Hu adopts advanced technologies to enhance water efficiency, conservation and usage. These efforts align with national sustainability goals and reflect our commitment to responsible resource management. We are continuously exploring innovative methods to improve water conservation, recycling and overall management.

One of our long-term goals is to recycle all the water used in our operations. We have implemented RAS to efficiently recycle water and maintain consistent water quality, even during extreme temperatures. These systems incorporate advanced filtration and aeration technologies to minimise ammonia build-up, ensuring optimal conditions critical for fish health. This supports cleaner water and promotes stable fish health, particularly under high-temperature stress, significantly reducing freshwater consumption. Additionally, we utilise water storage systems at our farms to collect and retain natural sources like rainwater.

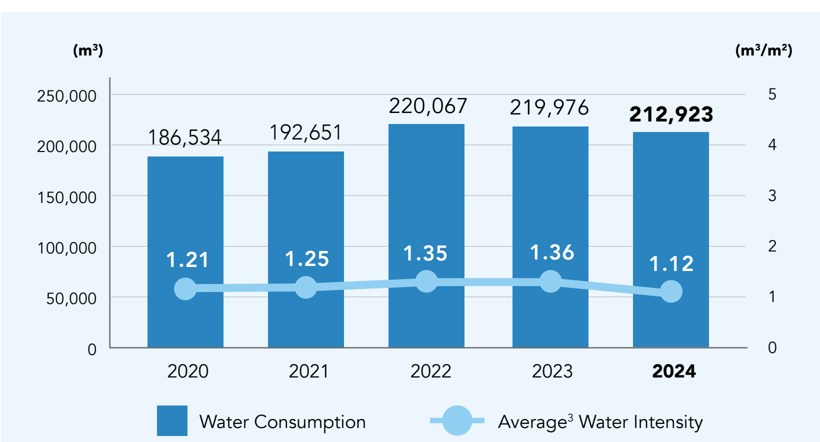
Since FY 2018, we have equipped our Singapore facilities with a water treatment system for storage tanks that uses bacterial nitrification to lower ammonia and nitrate levels while boosting dissolved oxygen. This process enhances water quality, allowing us to treat and reuse water efficiently, thus minimising overall consumption.

Water quality monitoring is central to our management strategy, particularly for our fish and aquaculture operations. To maintain high standards, we have established a rigorous testing regime, which includes engaging a reputable third-party organisation to annually assess water samples at our Singapore farm. We monitor key parameters such as biochemical oxygen demand, chemical oxygen demand and suspended and dissolved solids to ensure compliance with acceptable limits. This robust approach underscores our commitment to environmental sustainability and the health of aquatic ecosystems.

While our water consumption data currently represents only the utility and well water supply, we are enhancing our measurement and data collection tools to accurately measure our water extraction from other natural resources, while abiding by all prevailing laws and regulations before extracting water from these natural sources. Meanwhile, we will continue to focus on improving our water management process to achieve greater savings in the future.

We outline our group-wide water consumption level in FY 2024 below, with improvements in both our total water consumption and water use intensity, which totaled 212,923 $m^3$ and 1.12 $m^3/m^2$ respectively, compared to 219,976 $m^3$ and 1.36 $m^3/m^2$ in FY 2023. These represent improvements of 3% and 18% respectively.

**Water Consumption and Intensity**




**Total Water Consumption**

**212,923** ($m^3$)

219,976 ($m^3$) in 2023

**Average Water Intensity**

**1.12** ($m^3/m^2$)

1.36 ($m^3/m^2$) in 2023

[3] *The average water intensity ($m^3/m^2$) is calculated using Total Water Consumption divided by Total Gross Floor Area*

- **Emissions**

As part of our sustainability journey, we have implemented a structured approach to tracking and managing GHG emissions. Guided by the Greenhouse Gas Protocol, a globally recognised standard, we began reporting Scope 1 and Scope 2 emissions in FY 2022 to establish a baseline for future reduction efforts.

In FY 2023, we expanded our focus to include Scope 3 emissions, addressing key upstream and downstream activities in our value chain. This holistic approach allows us to identify key emission sources and prioritise critical areas for our decarbonisation strategy and reinforce our commitment to sustainable practices.

Moving forward, we aim to develop a comprehensive decarbonisation roadmap, which will include setting measurable GHG reduction targets. This roadmap will align with our broader sustainability goals and further our contribution to a low-carbon future.

We have identified 6 of the 15 Scope 3 categories relevant to our operations. As our business and environmental priorities evolve, we will continue to evaluate additional Scope 3 categories to determine their applicability.

In FY 2024, the combined Scope 1 and Scope 2 emissions were 3,488 tonnes of $CO_2e$, representing a decrease of 0.3% as compared to 3,499 tonnes in FY 2023. Scope 3 emissions totalled 56,359 tonnes of $CO_2e$, compared to 55,028 tonnes of $CO_2e$ in FY 2023, accounting for an increase of 2.4% mainly due to diversification in our customer base to more global locations.

| Carbon Emissions (tonnes of $CO_2e$) | FY 2024 | FY 2023 | FY 2022 (Baseline Year) | Methodology |
|---|---|---|---|---|
| **Scope 1** | | | | |
| • Direct emissions from fuel combustion from own vehicle fleet, fuel used in power generators and cooking gas | 689 | 665 | 702 | Activity data |
| **Scope 2** | | | | |
| • Indirect emissions from purchased electricity consumed by the operational activities of Qian Hu, at both owned and rental facilities | 2,799 | 2,834 | 2,861 | Activity data |
| **Scope 3** | | | | |
| • Purchase of goods and services (Category 1) | 41,633 | 42,115 | NA | Spend-based and Average-data method |
| • Capital goods (Category 2) | 333 | 106 | NA | Spend-based method |
| • Fuel and energy-related activities (Category 3) | 819 | 821 | NA | Average-data method |
| • Upstream transportation and distribution (Category 4) | 4,356 | 4,364 | NA | Spend-based and Distance-based method |
| • Employee commuting (Category 7) | 344 | 338 | NA | Distance-based method |
| • Downstream transportation and distribution (Category 9) | 8,874 | 7,284 | NA | Spend-based and Distance-based method |
| **Total Scope 1 and Scope 2 Emissions** | **3,488** | 3,499 | 3,563 | |
| **Total Scope 3 Emissions** | **56,359** | 55,028 | NA | |

*NA: Not Applicable*

# Sustainability Report

- **Waste Management**

Waste has far-reaching environmental impact, contributing to climate change, pollution and the spread of diseases. In our operations, the import, export and sale of products involve extensive use of packaging materials such as cartons, plastic bags and styrofoam boxes, generating both general and packaging waste. To address these challenges and manage costs, we are actively implementing 'reduce, recycle and reuse' initiatives.

Our waste management program prioritises minimising waste through the reuse and recycling of materials from suppliers, including cartons, plastic bags and styrofoam boxes. Since our waste mainly consists of packaging materials that are typically reused or recycled, we have assessed general waste to be immaterial and have therefore excluded these amounts from this Report.

Our subsidiary, Qian Hu Tat Leng Plastic Pte. Ltd., ("QHTL") has a key role in waste management given that it produces high-density and low-density polyethylene bags for commercial and industrial use. We collect discarded plastic waste, which is sent to a third party for recycling, with the recovered plastic resins then reintegrated into production. In FY 2024, QHTL recycled 91 tonnes of plastic waste as compared to 96 tonnes in FY 2023 due to lower wastage during the production process. For the other entities within the Group, 32 tonnes of aluminium, steel, carton, plastic, styrofoam and glass waste were also recycled in FY 2024 as compared to 51 tonnes in FY 2023.

## Safeguarding Our Natural Biodiversity

As a leading integrated fish provider exporting and selling to over 80 countries, Qian Hu is deeply committed to minimising the environmental impact of our business activities on surrounding ecosystems and habitats. Biodiversity conservation remains a cornerstone of our sustainability efforts.

One of our key concerns is preventing the accidental release of non-native aquatic species into local ecosystems, which could adversely affect native biodiversity. To address this risk, we have implemented strict protocols to prevent such incidents. For example, our fish farm and breeding ponds in Singapore are designed with sedimentation ponds that act as barriers to capture any fish species that might escape during storms or floods, preventing them from entering local habitats.

We also adhere rigorously to the guidelines set by the Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES"). This ensures that our international trade practices support the conservation of wild species and do not threaten their survival, further underscoring our commitment to responsible operations and the protection of global biodiversity.

In FY 2024, to the best of our knowledge, there were no reported incidents of significant impact on biodiversity in the areas where we operate.

## Contributing Our Efforts to Animal Welfare

Animal welfare is integral to Qian Hu's daily operations, as the responsible handling of livestock is essential to prevent health issues, disease outbreaks and high fish mortality rates.

To ensure high standards of animal welfare, we have implemented robust fish quarantine procedures as part of our quality assurance process. Our Multi-Tier Automated Recirculation Holding Tank System, deployed across various farms, rapidly breaks down and removes bio-load and incorporates ultraviolet sterilisation to eliminate waterborne pathogens, thereby safeguarding the health of our fish.

The implementation of the RAS incorporates advanced filtration and aeration technologies to minimise ammonia build-up and maintaining consistent water quality, ensuring optimal conditions critical for fish health. This approach supports cleaner water and promotes stable fish health, particularly under high-temperature stress.

We also perform daily water quality testing, focusing on parameters such as pH levels, temperature, ammonia, nitrates and alkalinity. Additionally, we practice the responsible use of approved antibiotics for ornamental fish. Our research and development team is actively involved in identifying fish affected by parasites and applying targeted treatment methods to maintain their health.

Our strategic partnership with AquaEasy Pte Ltd, an aquaculture solutions provider, enables us to integrate AI and IoT into our farming practices. These innovations enable real-time monitoring of key pond conditions, including dissolved oxygen levels, water pH and livestock behaviour. The data collected allows us to maintain optimal pond conditions, reduce feed wastage and improve productivity while supporting sustainable aquaculture practices and minimising risks and costs.

To ensure the success of these initiatives, we emphasise the importance of employee training in fish handling. Employees who handle the livestock are required to undergo comprehensive training to understand the procedures and requirements for managing different fish species effectively. In FY 2024, our average monthly in-house fish loss rate was 6%.

This coming year, we are collaborating with N&E Innovations Pte Ltd, a Singapore-based deep-technology company, to integrate antimicrobial technology ("AMT") into pet and aquarium care – a revolutionary solution that harnesses biodegradable materials derived from fruit waste. Our partnership aims to address critical challenges in pet care, since traditional disinfectants such as those containing alcohol can irritate pets' skin and compromise their well-being. This patented technology offers a safer, eco-conscious alternative, delivering antimicrobial protection that lasts up to six months. By eliminating harmful bacteria and viruses without harsh chemicals, these products enhance both the health of pets and the ecosystems they interact with.

In FY 2025, we will introduce a pet product line featuring AMT-based innovations, including wet wipes and sprays. These products are designed to go beyond hygiene, promoting healing and ensuring the comfort of pets. With this, pet owners can look forward to solutions that prioritise the well-being of their furry friends.

This venture not only represents a milestone in sustainable pet care but also reaffirms our dedication to protecting animals and fostering a greener future. Together with N&E Innovations, we are shaping a compassionate and sustainable vision for pet care.

# Sustainability Report

## CHARTING POSSIBILITIES WITH OUR PEOPLE

***Unlocking potential, fostering inclusivity, and building resilient teams for a brighter future.***

*At the heart of our journey lies a deep commitment to our people. By creating opportunities for growth, fostering inclusivity and prioritising well-being at Qian Hu, we hope to unlock the potential of every individual. Through meaningful engagement and support, we empower our teams and communities to navigate challenges and embrace new possibilities, ensuring our foundation for collective success.*

### Our Commitment to Diversity and Equality

At Qian Hu, we firmly uphold our "People First" principle, recognising that our employees are the cornerstone of our success. Fostering a diverse and inclusive workplace is integral not only to our core values, but also to achieving business excellence.

We are committed to creating an environment where every individual is valued and opportunities are based on merit and ability. Across our Group, we prioritise promoting diversity and equality, ensuring that all employees, regardless of their location or role, can thrive in an inclusive and supportive workplace.

To us, diversity and equality mean providing all individuals with equal access to professional growth opportunities and employment benefits – irrespective of age, gender, ethnicity, religion, sexual orientation, disability, political affiliation, or any other personal attributes unrelated to their work. This approach fosters the inclusion of diverse perspectives and ideas, mitigates groupthink and ensures that we can fully leverage the talent pool available to us.

Our commitment to inclusion and diversity is led by our leadership team. Notably, 40% of our Board members are female, and 60% are independent directors, reflecting our dedication to balanced and diverse governance. Details on our Board Diversity Policy can be found on page 92 of this Annual Report.

We strive to uphold the principles of respect, dignity, and fair employment in all our practices. Our inclusive hiring processes align with the Tripartite Guidelines on Fair Employment Practices, established by the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP") under the Ministry of Manpower, the Singapore National Employers Federation, and the National Trades Union Congress.



As of 31 December 2024, our Group comprises 520 employees, with a gender distribution of 36% female and 64% male. Majority of our employees fall within the 30 to 50 age range, reflecting our balanced and dynamic workforce.

While the nature of our industry and operations results in a larger proportion of male employees in our operational teams, we remain steadfast in our commitment to empowering women across all roles, supporting their career growth and professional development.

We also value the extensive experience that senior workers bring to our organisation. In line with this, we actively re-employ employees beyond the retirement age, provided health and job requirements permit. Almost 21% of our workforce is aged 50 and above as at 31 December 2024.

Our remuneration package comprises both fixed and performance-based variable components, complemented by additional benefits such as parental leave, birthday leave and compassionate leave, alongside statutory benefits as mandated by manpower legislation. These offerings play a crucial role in attracting and retaining talent while fostering a positive and supportive workplace culture.

In FY 2024, we welcomed 102 new hires and saw 104 resignations, translating to a new hire rate of 19.6% and a turnover rate of 20%. This marks a decline compared to FY 2023, which saw 129 new hires and 131 resignations, with a new hire rate of 24.7% and a turnover rate of 25.1%.

In FY 2024, we achieved an Employee Satisfaction Index score of 4.58 out of 6, consistent with the previous year at 4.59. We remain committed to exploring innovative approaches to further enhance workplace practices and create an even more conducive environment for all employees.

At Qian Hu, we are steadfast in our commitment to upholding human rights principles, including the prevention of child labour, forced labour and human trafficking. We strictly adhere to the Singapore Prevention of Human Trafficking Act 2014 (Chapter 45) and ensure compliance with all applicable laws and regulations in the countries where we operate.

As a small-medium enterprise, our operations do not involve trade unions and therefore no employees are covered under collective bargaining agreements. However, we remain committed to fostering open communication and maintaining fair and transparent employment practices across our organisation.

In FY 2024, there were no reported cases of discrimination or violations of human rights.

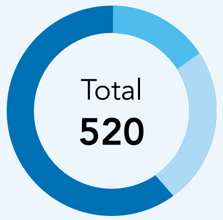
# Sustainability Report

## Employees by Gender and Age Groups

### FY 2024

Male 332 (64%)

Female 188 (36%)

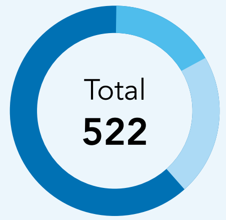



- Under 30 years old Total: 99 | 19%
- 30 to 50 years old Total: 313 | 60%
- Over 50 years old Total: 108 | 21%

### FY 2023

Male 327 (63%)

Female 195 (37%)



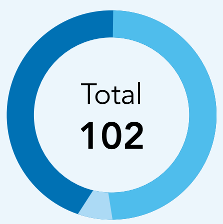

- Under 30 years old Total: 97 | 18%
- 30 to 50 years old Total: 322 | 62%
- Over 50 years old Total: 103 | 20%

## New Hires by Gender and Age Groups

### FY 2024

Male 75 (74%)

Female 27 (26%)

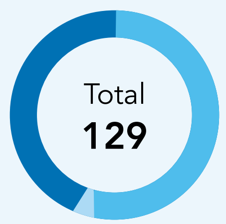



- Under 30 years old Total: 50 | 49%
- 30 to 50 years old Total: 47 | 46%
- Over 50 years old Total: 5 | 5%

### FY 2023

Male 91 (71%)

Female 38 (29%)



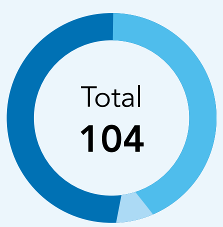

- Under 30 years old Total: 66 | 51%
- 30 to 50 years old Total: 61 | 47%
- Over 50 years old Total: 2 | 2%

## Turnover by Gender and Age Groups

### FY 2024

Male 70 (67%)

Female 34 (33%)

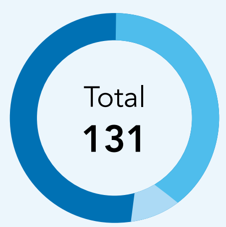



- Under 30 years old Total: 38 | 36%
- 30 to 50 years old Total: 60 | 58%
- Over 50 years old Total: 6 | 6%

### FY 2023

Male 97 (74%)

Female 34 (26%)




- Under 30 years old Total: 49 | 38%
- 30 to 50 years old Total: 71 | 54%
- Over 50 years old Total: 11 | 8%



## Key Employee Data

| | SINGAPORE | | | MALAYSIA | | | THAILAND | | | INDONESIA | | | CHINA | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EMPLOYEE PROFILE (NUMBER)** | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| **Total Employees** | **187** | **180** | **188** | **68** | **74** | **74** | **90** | **95** | **94** | **34** | **31** | **31** | **141** | **142** | **137** | **520** | **522** | **524** |
| **Employees by Gender** | | | | | | | | | | | | | | | | | | |
| Male | 127 | 120 | 129 | 44 | 48 | 47 | 66 | 69 | 68 | 27 | 24 | 24 | 68 | 66 | 65 | 332 | 327 | 333 |
| Female | 60 | 60 | 59 | 24 | 26 | 27 | 24 | 26 | 26 | 7 | 7 | 7 | 73 | 76 | 72 | 188 | 195 | 191 |
| **Employees by Age Group** | | | | | | | | | | | | | | | | | | |
| Under 30 years old | 28 | 25 | 19 | 11 | 14 | 17 | 27 | 27 | 28 | 11 | 11 | 12 | 22 | 20 | 19 | 99 | 97 | 95 |
| 30 to 50 years old | 92 | 91 | 98 | 43 | 47 | 43 | 61 | 66 | 64 | 20 | 17 | 17 | 97 | 101 | 111 | 313 | 322 | 333 |
| Over 50 years old | 67 | 64 | 71 | 14 | 13 | 14 | 2 | 2 | 2 | 3 | 3 | 2 | 22 | 21 | 7 | 108 | 103 | 96 |
| **Employees by Employee Category** | | | | | | | | | | | | | | | | | | |
| Key management | 19 | 18 | 19 | 1 | 1 | 2 | 2 | 2 | 3 | 2 | 2 | 2 | 1 | 1 | 1 | 25 | 24 | 27 |
| Middle management and Executives | 65 | 48 | 47 | 36 | 25 | 33 | 31 | 34 | 42 | 2 | 1 | 1 | 32 | 21 | 27 | 166 | 129 | 150 |
| Admin & Operational staff | 103 | 114 | 122 | 31 | 48 | 39 | 57 | 59 | 49 | 30 | 28 | 28 | 108 | 120 | 109 | 329 | 369 | 347 |
| **Employees by Employment Contract** | | | | | | | | | | | | | | | | | | |
| Permanent | 183 | 180 | 188 | 68 | 74 | 74 | 90 | 95 | 94 | 34 | 31 | 31 | 141 | 142 | 137 | 516 | 522 | 524 |
| - Full time | 178 | 176 | 185 | 68 | 74 | 74 | 90 | 95 | 94 | 33 | 30 | 30 | 141 | 142 | 137 | 510 | 517 | 520 |
| - Part time | 5 | 4 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 6 | 5 | 4 |
| Temporary | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 0 |
| **Employees by Length of Service** | | | | | | | | | | | | | | | | | | |
| Less than 5 years | 71 | 64 | 68 | 23 | 39 | 39 | 25 | 25 | 24 | 12 | 9 | 14 | 53 | 60 | 66 | 184 | 197 | 211 |
| 5 to 10 years | 31 | 31 | 34 | 21 | 15 | 15 | 28 | 33 | 36 | 14 | 14 | 9 | 42 | 36 | 27 | 136 | 129 | 121 |
| Over 10 years | 85 | 85 | 86 | 24 | 20 | 20 | 37 | 37 | 34 | 8 | 8 | 8 | 46 | 46 | 44 | 200 | 196 | 192 |
| **New Hires** | | | | | | | | | | | | | | | | | | |
| Total new hires | 38 | 31 | 44 | 13 | 13 | 16 | 8 | 9 | 6 | 3 | 0 | 1 | 40 | 76 | 44 | 102 | 129 | 111 |
| **New Hires by Gender** | | | | | | | | | | | | | | | | | | |
| Male | 25 | 15 | 22 | 12 | 11 | 12 | 5 | 5 | 6 | 3 | 0 | 1 | 30 | 60 | 29 | 75 | 91 | 70 |
| Female | 13 | 16 | 22 | 1 | 2 | 4 | 3 | 4 | 0 | 0 | 0 | 0 | 10 | 16 | 15 | 27 | 38 | 41 |
| **New Hires by Age Group** | | | | | | | | | | | | | | | | | | |
| Under 30 years old | 18 | 16 | 15 | 7 | 7 | 8 | 6 | 9 | 6 | 0 | 0 | 1 | 19 | 34 | 20 | 50 | 66 | 50 |
| 30 to 50 years old | 17 | 15 | 24 | 5 | 5 | 7 | 2 | 0 | 0 | 3 | 0 | 0 | 20 | 41 | 24 | 47 | 61 | 55 |
| Over 50 years old | 3 | 0 | 5 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 5 | 2 | 6 |
| **Turnover** | | | | | | | | | | | | | | | | | | |
| Total turnover | 31 | 39 | 46 | 19 | 13 | 28 | 13 | 8 | 4 | 0 | 0 | 2 | 41 | 71 | 70 | 104 | 131 | 150 |
| Average monthly turnover rate (%) | 1.4 | 1.8 | 2.0 | 2.3 | 1.5 | 3.2 | 1.2 | 0.7 | 0.4 | 0.0 | 0.0 | 0.5 | 2.4 | 4.2 | 4.3 | 1.7 | 2.1 | 2.4 |
| **Turnover by Gender** | | | | | | | | | | | | | | | | | | |
| Male | 18 | 24 | 23 | 16 | 10 | 19 | 8 | 4 | 4 | 0 | 0 | 2 | 28 | 59 | 37 | 70 | 97 | 85 |
| Female | 13 | 15 | 23 | 3 | 3 | 9 | 5 | 4 | 0 | 0 | 0 | 0 | 13 | 12 | 33 | 34 | 34 | 65 |
| **Turnover by Age Group** | | | | | | | | | | | | | | | | | | |
| Under 30 years old | 11 | 11 | 15 | 7 | 4 | 10 | 6 | 7 | 3 | 0 | 0 | 0 | 14 | 27 | 41 | 38 | 49 | 69 |
| 30 to 50 years old | 17 | 22 | 25 | 9 | 7 | 17 | 7 | 1 | 1 | 0 | 0 | 2 | 27 | 41 | 28 | 60 | 71 | 73 |
| Over 50 years old | 3 | 6 | 6 | 3 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 1 | 6 | 11 | 8 |

# Sustainability Report

## Training and Developing Our Staff

To achieve our business objectives and advance long-term sustainability, Qian Hu focuses on cultivating and nurturing talent within our niche sector. We actively invest in our employees to broaden their skillsets and help them reach their full potential. We do this through various initiatives, including training and development programmes, job diversification opportunities and management trainee programmes designed to prepare employees for regional roles.

We ensure training and development opportunities are accessible to all employees across our workforce, promoting lifelong learning. These efforts empower our people and enhance our ability to adapt and thrive in a dynamic business environment.

- **Upskilling**

We provide robust support for our employees' growth by facilitating external courses alongside comprehensive on-the-job training. These efforts enable our employees to deepen their knowledge of job functions, standard operating procedures, processes and methodologies. Line managers and the human resource department oversee all training activities to ensure they align with our employees' learning and development needs.

In FY 2024, our employees received an average of 15.6 hours of training per person. While this fell short of our 16-hour annual target, it was an increase from 13.2 hours reported in FY 2023. We made a conscious effort to improve the breadth and depth of our training offerings this year – including sessions on new software implementation and a sustainability-focused workshop.

This year, our female employees logged an average of 16.6 training hours, while male employees recorded an average of 15.1 hours.

- **Succession Planning**

We have implemented a structured programme since 2004 to groom a team of key executives to guide the Group through its next phase of development. Succession planning is key in sustaining our business continuity and momentum, especially in an ever-evolving industry landscape.

Our programme features a comprehensive leadership development process, including job rotation across diverse portfolios and performance reviews in dynamic business settings. This structured approach ensures that executives are well-prepared to take on leadership roles while prioritising the Group's long-term success.

As part of our succession plan, we have ushered in a new chapter in our leadership as Mr Kenny Yap retired from Qian Hu on 31 December 2024 and Mr Yap Kok Cheng assumed the role of Executive Chairman and CEO.

## Ensuring Our Employee Health and Safety

Across our operations, the health, safety and well-being of our employees are a top priority. As such, we take meticulous measures to adhere strictly to all stipulated regulations and guidelines in the countries which we operate.

- **Workplace Health and Safety**

Creating a safe and healthy workplace is key for us as we strive to prevent or minimise work-related injuries and illnesses amongst our employees. We recognise that a safe work environment not only upholds ethical standards, but also fosters positive workplace morale, overall well-being of our employees and ultimately enhances the quality of our products and services.

To manage this effectively, we established a governance structure to oversee health and safety processes. Our in-house Workplace Health and Safety Committee regularly reviews practices and procedures, identifies potential hazards and develops action plans to mitigate risks. We ensure that all issues are addressed and that the Group complies with prevailing standards, laws and regulations by way of an annual review.

Our employees are equipped with the necessary skills through relevant training programs, including fire safety, basic first aid and, in Singapore, specialised sessions on Cardiopulmonary Resuscitation ("CPR") and the use of automated external defibrillators ("AEDs"). We also conduct regular fire drills and evacuation exercises as part of our best practices.

In FY 2024, we recorded zero workplace fatalities and one reportable work-related accident. The incident involved an employee who sustained a bruise and a minor cut on his left arm after slipping and falling into a sump, causing his left hip to hit a horizontal wooden bar. The lessons learned from this incident were shared with our employees and safe practices were reinforced to prevent future occurrences. We remain committed to striving for zero workplace accidents.

- **Employee Well-Being and Wellness**

Employees' well-being is a key component of our management ethos. Throughout the year, we organised various recreational activities to foster a positive and inclusive work environment. This included celebrations such as the Qian Hu 2024 Reunion Dinner and monthly birthday celebrations for our employees throughout the year.

To foster stronger employee bonding and interactions beyond the workplace, we engaged in charity activities as a group. In FY 2024, we visited the Down Syndrome Association, where we had the opportunity to learn more about their work-readiness program for persons with Down syndrome.

In addition to recreational and social activities, we prioritise the health of our employees. We organise annual complimentary health screening programme for all permanent full-time employees. Recognising the importance of mental health in the workplace, we plan to launch a mental wellness programme in Singapore, including well-being workshops, aimed at supporting employees and helping them build resilience.

# Sustainability Report

## Engaging with Our Communities

Qian Hu actively contributes to local communities through collaborative initiatives. Our community engagement policy, "Charity, Community and Commitment," bridges profit and purpose, reflecting our core values of giving back and making a positive impact on society.

- **Local Communities**

Community involvement is essential for enhancing employee satisfaction, engagement and productivity. We recognise that our employees' skills and resources can make a meaningful difference, and our giving-back programme supports personal growth and the development of soft skills. We encourage employees to actively participate in community activities outside of work.

Supporting marginalised communities through activities and donations is central to our sustainability efforts. Since FY 2001, Qian Hu has upheld a program that matches every dollar donated by employees for designated charitable causes. This year, we maintained our momentum in providing support to associations and social causes. For the second year in a row, our Singapore employees contributed food, essential items and monetary donations to the Down Syndrome Association. Additionally, we also made cash donations to WE CARE Community Services, aiding their vital work in the community.

To create more memorable experiences, we hosted individuals with Down syndrome from the Down Syndrome Association at our fish farm, where they enjoyed engaging activities like fish feeding and long kang fishing.

As part of our annual charity drive, our Guangzhou employees visited a nursing home during the Double Ninth Festival (九九重阳节) in October and donated blankets. Through this initiative, we aim to ensure that the seniors feel supported and comfortable in their living environment.

Qian Hu's community outreach also includes educational initiatives, such as guided tours at our Singapore farm, where students learn about biodiversity and animal welfare. In FY 2024, we hosted approximately 390 tours, engaging over 13,500 students.

We aim to continue inspiring future generations to value and protect our natural world by way of initiatives such as offering internships to polytechnic students in Singapore throughout the year. Additionally, Qian Hu contributes fish to local schools and helps increase fish stocks in our local reservoirs.

- **Insights For The Business Industry**

As a leader in the ornamental fish and aquaculture sector, Qian Hu contributes valuable insights and expertise to the broader industry. Our Executive Chairman and CEO, Mr Yap Kok Cheng, is a member of the Animal and Veterinary Services' Ornamental Fish Business Cluster and serves as a committee member of the Kranji Countryside Association. With our extensive experience and knowledge, we aim to enhance business and operational practices while elevating performance standards within the industry.

Our senior management team is also actively involved in industry committees, sharing insights from our pursuit of business excellence. For example, our Finance Director, Ms Lai Chin Yee, is the Chairperson of the Institute of Singapore Chartered Accountants ("ISCA")'s CFO Committee and a member of its Membership Committee. She was previously a Board member of the Accounting and Corporate Regulatory Authority (ACRA) and a Council Member of ISCA.

Through these efforts, our senior executives build connections within the wider industry ecosystem, facilitating the exchange of knowledge and creating networking opportunities while sharing best practices.



## CHARTING EXCELLENCE IN OUR PRACTICES

***Redefining operational and ethical standards for long-term sustainability.***

*Innovation and integrity are the cornerstones of our operations. We are committed to refining our processes, adopting sustainable solutions and upholding the highest ethical standards. By integrating cutting-edge technology and embracing a culture of continuous improvement, we aspire to set new benchmarks in excellence, so that we can achieve long-term value for our stakeholders, shareholders and communities.*

## Managing Our Supply Chain

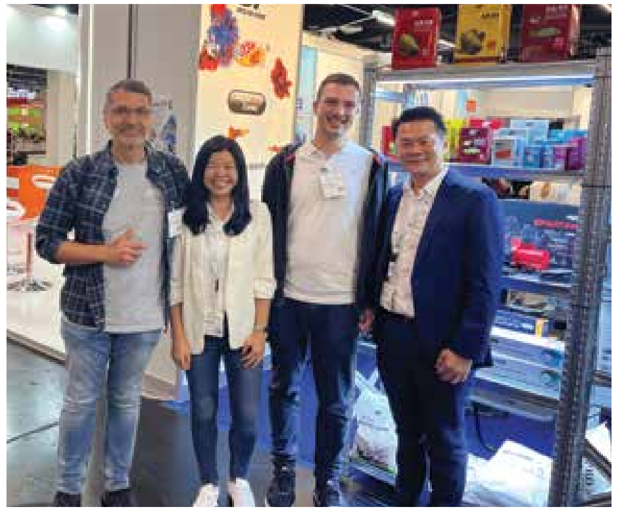
Maintaining a reliable and sustainable supply chain is essential for the long-term growth of our business, especially amid unforeseen global pandemics such as COVID-19, as well as evolving political, economic and climate conditions which can impact product quality and service. To mitigate these risks, Qian Hu maintains close collaboration with farmers and suppliers to ensure the seamless delivery of high-quality products that meet customer expectations.

From the onset of our partnership, we share our Supplier Code of Conduct to reinforce our expectations regarding environmental and social practices, requiring compliance with laws and ethical business conduct. Our suppliers are carefully evaluated and selected for our Approved Vendor List based on their track record and alignment with our high standards.

Our supplier partnership programme prioritises open communication through farm visits, review meetings and training sessions to foster feedback, idea exchange and collaboration. We also integrate sustainability into our supply chain to ensure that suppliers uphold responsible practices and minimise environmental and social impact. Site visits help us validate sources for ornamental fish and accessories, identify quality challenges and address supplier issues.

By participating in local and international trade events such as the Food & Hotel Asia ("FHA") Exhibition and SIGEP & Restaurant Asia Exhibition, we are also able to strengthen our relationships with suppliers, reducing quality-related issues and costs while enhancing service.

Moving forward, we will continue to enhance our supplier engagement, raise standards and promote responsible practices to elevate product and service quality.



# Sustainability Report

## Upholding Our Customers' Satisfaction

- **Customer Service**

We continue to offer the highest standards in customer service as we believe in building long-term customer relationships and understanding the changing needs of our customers. Our customers are provided with various forms of communication channels with our in-house dedicated services support team, such as after-sales support, social media platforms, direct inquiry platforms and larger networking events such as trade events and exhibitions. We also carry out routine customer visits and keep lines of contact open via virtual or in-person meetings, phone conversations and email correspondences. The feedback that we receive from these platforms is taken into consideration to improve our product development.

Our reach across 80 different cities and countries is well supported by a strong distribution network, an efficient logistics system and a responsive dedicated team. This ensures timely delivery of our quality products by maintaining low Dead-on-Arrival ("DOA") rates consistently.


- **Data Protection**

We maintain stringent data privacy standards to protect confidential information and prevent the loss of customers' data. Our Personal Data Protection Policy ("PDPP"), applicable across the Group, outlines our approach to managing and safeguarding personal data, in line with laws such as the Personal Data Protection Act ("PDPA") 2012. The PDPP is available on our corporate website for further information. Additionally, our employees adhere to Qian Hu's Code of Conduct and Business Ethics, which includes a strict protocol for breaches of customer confidentiality.

We ensure that our customers' personal information remains confidential and secure and respect their privacy preferences. While collecting personal information is sometimes necessary to provide our products, services and aftersales support, we do not sell, rent, share, or disclose this information to third parties for commercial or any other purposes unless explicitly approved by our customers.

Throughout FY 2024, there were no violations of the PDPA 2012 or instances of non-compliance with our PDPP.

## Prioritising Our Customer Health and Safety

At Qian Hu, we maintain the highest standards to ensure the well-being of our customers, the community and the reputation of our brand. We comply with all relevant laws and regulations in the countries where our products are sold.

We do not engage in the sale, use, provision, or any interaction with banned or contentious products. Our product range, which includes aquarium and pet accessories, is manufactured in strict adherence to industry standards such as Hazard Analysis Critical Control Point ("HACCP") and Good Manufacturing Practice ("GMP"). Additionally, our products conform to industry best practices, including the provision of Material Safety Data Sheets ("MSDS"). We also provide ingredient analysis for our pet food, fish medication and fish feeds so that our customers are informed about the nutritional content and composition.

We also strive to provide accurate and transparent information through responsible labelling and packaging. This approach allows our customers to make informed choices for their pets' well-being. We follow responsible marketing and communication principles to ensure our brand is represented effectively and accurately. In Singapore, we comply with the Singapore Code of Advertising Practice, overseen by the Advertising Standards Authority of Singapore, an advisory council to the Consumers Association of Singapore. Regular quality assessments and supplier label evaluations are conducted to assess the health and safety impact of our products.

In FY 2024, to the best of our knowledge, there were no instances of non-compliance with regulations or voluntary codes related to product and service information and labelling by type of outcome. Additionally, there were no violations of advertising or marketing guidelines or regulations, and no instances of false advertising or dissemination of inaccurate or misleading representations of our Group, products, or services.


# Sustainability Report

**Case Study:**

## Collaborating for Sustainable Innovation: Integrating Antimicrobial Technology into Pet and Aquarium Products

At Qian Hu, our commitment to sustainability drives us to seek out pioneering partnerships that align with our vision. We are proud to join forces with N&E Innovations Pte Ltd in FY 2024, a Singapore-based deep-technology company renowned for transforming creative ideas into tangible, impactful solutions. By combining our expertise, we aim to revolutionise pet and aquarium care with the integration of antimicrobial technology ("AMT") – a remarkable, biodegradable solution derived from fruit waste.

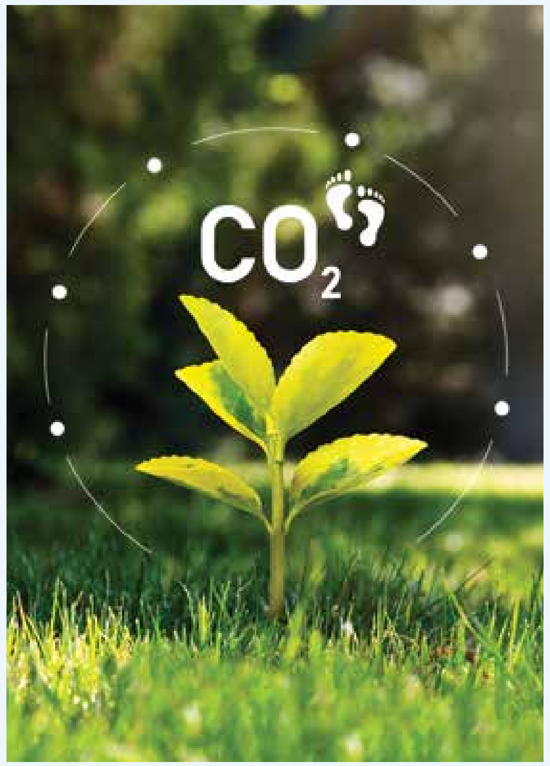
By using N&E Innovations patented AMT, Qian Hu will be creating products that are safer for pets, kinder to the environment and effective in ways traditional solutions would not be. Unlike conventional agents such as nano silver, sodium bicarbonate and alcohol – which can irritate pets' skin and harm the planet – AMT is not only biodegradable but also approved for human consumption.

We intend to introduce an AMT-based pet product line in FY 2025, including wet wipes, sprays and other innovative solutions that prioritise the well-being of pets and their owners. These will include a body odour spray for dogs that actively eliminates the bacteria causing bad smells, all without harsh chemicals.

For consumers, this means peace of mind in knowing that the products they use are safe for their furry companions, effective and environmentally responsible. This partnership reflects our dedication to creating solutions that are as thoughtful as they are practical.

N&E Innovations' antimicrobial product, ViKANG99, has received several certifications attesting to its safety and efficacy. A game-changer that works in harmony with nature, AMT provides protection against bacteria and even the Covid-19 virus for up to six months after application.

- Food Grade Certification: ViKANG99 is certified as food grade by SGS, ensuring its safety for applications involving direct or indirect contact with food.




- Non-Cytotoxic and Non-Mutagenic Certification: Clinical trials conducted by a GLP-certified lab have verified that ViKANG99 is non-cytotoxic and non-mutagenic, indicating it does not harm human cells or cause genetic mutations.
- Skin Safe Certification: Intertek has certified ViKANG99 as skin safe, making it suitable for individuals with sensitive skin or eczema.

This is a new level of care, designed with sustainability at its core. Our collaboration is just the beginning of a broader step toward building a future where innovation and responsibility go hand in hand, enhancing lives while protecting the planet. At Qian Hu, we're proud to lead the way in making pet care – and the world – a little better for everyone.



## Innovating For Tomorrow

To strengthen our competitive edge, we prioritise innovative business and product development. In a fast-evolving market marked by the growth of online platforms and social media influence, we keep up with current trends to align with our customers' preferences. Our commitment to new product innovation provides customers with a wider range of choices and facilitates easy communication with our innovation and customer service teams for feedback on existing products.

In FY 2024, we successfully launched 23 new products, exceeding our target of at least 10 new products per year.

### Aquarium Accessories

- **Aqua Zonic**
  - Super Slim LED Clamping Lamp G3
  - Smart Link Submersible RGBW LED Underwater Light
  - Super Slim LED Clamping Lamp Actinic Blue + Violet
  - Super Slim RGB LED Clamping Lamp
- **OF Tropical Fish Feed**
  - Red Dragon Feast
- **OF Pure Liquid-New Improved Formula**
- **Fish Love Smart Joy Fish Tank**
- **Smart Power Strip**


### Pet Accessories

- **Sumo Cat Cat Snack**
  - Salmon
  - Tuna
  - Cod Fish
- **Sumo Cat TCM Health Care Series Cat Treat**
  - Tuna with Wolfberry in Gravy
  - Tuna with Milk Thistle in Gravy
  - Salmon with Cranberry Extract in Gravy
  - Salmon with Ginseng in Gravy
- **Sumo Cat TCM Health Care Series Cat Canned Food**
  - Tuna with Wolfberry in Gravy
  - Tuna with Ginseng in Gravy
  - Tuna with Psyllium in Gravy
  - Tuna with Milk Thistle in Gravy
  - Tuna with Cranberry Extract in Gravy
- **Aristo-Cats YIHU Probiotic Sachets**
  - Intestinal Health
  - Joints & Bones
  - Fur & Skin Care

# Sustainability Report

## Committed to Strong Governance and Business Ethics

We adhere to the highest ethical standards and conduct our business activities with professionalism, integrity, and transparency, in full compliance with all relevant laws and regulations. We have a zero-tolerance policy towards fraud, bribery, corruption, anti-competitive practices, slavery and violations of human rights, and we will take decisive action against any such conduct.

We are aware of the potential financial, legal and reputational impact that unethical or unlawful behaviour can have on our Group. To this end, all Qian Hu employees are required to follow the guidelines set out in the Code of Conduct and Business Ethics, as well as the conflict-of-interest policies detailed in the employee handbook. Employees are introduced to these guidelines during orientation and induction sessions, where violations of this code will result in disciplinary action.

Our commitment extends beyond our employees to include our suppliers, sub-contractors and business partners. We communicate our anti-corruption and anti-bribery policies to them at the start of our working relationships. Our Finance Department exercises rigorous oversight to prevent irregular payments or receipts, implementing controls and procedures to protect the integrity of financial transactions.

To support a culture of transparency and facilitate the confidential reporting of suspected non-compliance, we have established a whistleblowing mechanism accessible to all employees and stakeholders. Reports are directed to the Chairman of the Audit & Risk Management Committee ("ARMC"). The ARMC reviews these complaints at its meetings, ensuring thorough investigations and appropriate follow-up. In cases involving serious offences or criminal activity, the ARMC and the Board can consult external advisors and, when necessary, submit a formal report to the relevant government or regulatory authority.

In FY 2024, there were no known incidents of corruption or bribery, nor any reports of non-compliance with applicable environmental and socioeconomic laws and regulations. We strive to keep this record of zero occurrences.

For further details on Qian Hu's corporate governance structures and practices for FY 2024, in line with the principles and provisions of the revised Code of Corporate Governance and the accompanying Practice Guidance, please refer to pages 85 to 112 of this Annual Report.

## Our Economic Performance

Our internal and external stakeholders expect us to achieve financial excellence while also making a positive impact on the societies and communities in which we operate. As such, Qian Hu's daily operations and approach are focused on financial performance while creating sustainable value for all stakeholder groups.

We have outlined our contributions to employees, government, capital providers, as well as profits retained for reinvestment and future growth, and non-production costs and income.

**Summary of Value-Added Statements**

| ($'000) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Gross value-added from operations** | 17,557 | 15,829 | 17,077 | 19,019 | 19,144 |
| **Total value-added available for distribution** | **20,789** | **11,952** | **21,176** | **23,051** | **19,842** |
| **Distribution of Group's value-added:** | | | | | |
| To employees | 16,397 | 15,590 | 15,728 | 15,469 | 13,246 |
| To government | 341 | 300 | 385 | 431 | 309 |
| To providers of capital | 696 | 792 | 693 | 479 | 726 |
| Retained for re-investment and future growth | 3,161 | (6,451) | 4,492 | 5,370 | 2,065 |
| Non-production costs and income | 194 | 1,721 | (122) | 1,302 | 3,496 |
| **Total distribution** | **20,789** | **11,952** | **21,176** | **23,051** | **19,842** |

For more information on our financial performance, please refer to the "Financial Review" on pages 30 to 40 of this Annual Report.

## Our Investor Relations Efforts

As a listed entity, our priority is to communicate our financial performance, business strategies and other relevant corporate information in a timely, transparent and accurate manner to our financial stakeholders and the wider investment community.

Compliance-wise, we adhere strictly to the SGX-ST's Code of Corporate Governance and other prevailing laws and regulations governing disclosures. Our compliance culture is built on principles of integrity, transparency, responsiveness and a deep respect for the spirit and letter of the law. This is reflected by the numerous Corporate Awards we have received and our consistent top-tier standings in the Singapore Governance and Transparency Index ("SGTI") over the years.

In FY 2024, we were honoured to receive the "Best Risk Management – Silver" award (for companies with less than $300 million in market capitalisation) at the Singapore Corporate Awards 2024. We also garnered the "Shareholder Communication Excellence – Winner" award (Small Caps category) at the Securities Investors Association (Singapore) Investors' Choice Awards 2024.

Our Executive Chairman and CEO engages regularly with analysts and fund managers to understand their concerns and needs. We also engage media whenever possible to share our views, updates on our strategies, developments and industry insights - providing a broader audience with an informed view of the Group's business prospects.

Since November 2019, Qian Hu has also been part of the "SGX Fast Track" programme, which prioritises the clearance of corporate action submissions. This programme recognises listed issuers that have maintained high standards of corporate governance and a strong compliance record, reflecting our dedication to upholding excellent governance practices over the years.


Mr Yap Kok Cheng, Executive Chairman and CEO, receiving the "Best Risk Management – Silver" award at the Singapore Corporate Awards 2024.

# Sustainability Report

Key components of our best practices in Investor Relations include:

| | |
|---|---|
| **Financial Reporting** | • Release unaudited half-year results within 20 days after the close of the financial period and audited full-year results within 15 days after the end of the financial year<br>• Results announcements accompanied by press releases in both English and Mandarin, providing highlights of the results and analysis of the Group's performance<br>• All results and material announcements publicly accessible on the SGXNET and the Company's corporate website (www.qianhu.com) |
| **Annual General Meeting** | • Post detailed minutes of the AGM on the SGXNET and the Company's corporate website within seven business days of the meeting<br>• Offer various communication channels, including website and email, to enable shareholders who may not be able to attend the AGM in person to share their input and feedback |
| **Investor Relations/ Website & Contacts** | • Real-time updates of SGX announcements, financial results, annual reports (including sustainability reports), financial presentations, corporate governance reports, investors' questions and answers (Q&A), and minutes of AGM available on the investor relations site – http://qianhu.listedcompany.com<br>• Provide dedicated investor relations email addresses to ensure timely responses to queries, suggestions and clarifications |

**FINANCIAL CALENDAR**

| | Full-Year Results Announcement | Notice of Annual General Meeting | Annual General Meeting | Payment of Final Dividend | Half-Year Results Announcement |
|---|---|---|---|---|---|
| **FY 2024** | 12 Jan | 28 Feb | 27 Mar | 24 Apr | 19 Jul |
| **FY 2025** | **15 Jan** | **5 Mar** | **3 Apr** | **30 Apr** | **18 Jul** |




## GRI CONTENT INDEX

| GRI Standards | Disclosure | | Page Reference |
|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-1 | Organisational details | 4 |
| | 2-2 | Entities included in the organisation's sustainability reporting | 42 |
| | 2-3 | Reporting period, frequency and contact point | 42 |
| | 2-4 | Restatements of information | Not Applicable |
| | 2-5 | External assurance | 42 |
| | 2-6 | Activities, value chain and other business relationships | 2, 3 and 5 |
| | 2-7 | Employees | 64 to 67 |
| | 2-8 | Workers who are not employees | Not Applicable |
| | 2-9 | Governance structure and composition | 44 and 88 |
| | 2-10 | Nomination and selection of the highest governance body | 91 to 95 |
| | 2-11 | Chair of the highest governance body | 44, 93 and 94 |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | 44 |
| | 2-13 | Delegation of responsibility for managing impacts | 44 |
| | 2-14 | Role of the highest governance body in sustainability reporting | 44 |
| | 2-15 | Conflicts of interest | 87 |
| | 2-16 | Communication of critical concerns | No critical concerns raised during the reporting period |
| | 2-17 | Collective knowledge of the highest governance body | The Board of Directors have attended the sustainability training courses for Directors prescribed by SGX; Corporate Governance Report (Seminars and Trainings Attended by Directors in FY 2022) |
| | 2-18 | Evaluation of the performance of the highest governance body | 44 |
| | 2-19 | Remuneration policies | 97 to 101 |
| | 2-20 | Process to determine the remuneration | 97 and 98 |
| | 2-21 | Annual total compensation ratio | 175 and 177 |
| | 2-22 | Statement on sustainable development strategy | 43 to 49 |
| | 2-23 | Policy commitments | 47 to 49, 58, 62, 64 to 65, 69, 72 to 73 and 76 |
| | 2-24 | Embedding policy commitments | 47 to 49, 58, 62, 64 to 65, 69, 72 to 73 and 76 |
| | 2-25 | Processes to remediate negative impacts | 76 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 76 |
| | 2-27 | Compliance with laws and regulations | 76 |
| | 2-28 | Membership associations | 70 |
| | 2-29 | Approach to stakeholder engagement | 45 |
| | 2-30 | Collective bargaining agreements | 65 |
| GRI 3: Material Topics | 3-1 | Process to determine material topics | 46 |
| | 3-2 | List of material topics | 46 |

# Sustainability Report

## GRI CONTENT INDEX (Cont'd)

| GRI Standards | Disclosure | | Page Reference |
|---|---|---|---|
| **Economic Performance** | | | |
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| GRI 201: Economic Performance | 201-1 | Direct economic value generated and distributed | 76 |
| **Business Ethics** | | | |
| GRI 3: Material Topics | 3-3 | Management of material topics | 76 |
| GRI 205: Anti-corruption | 205-2 | Communication and training about anti-corruption policies and procedures | 76 |
| | 205-3 | Confirmed incidents of corruption and actions taken | 76 |
| **Biodiversity** | | | |
| GRI 3: Material Topics | 3-3 | Management of material topics | 62 |
| GRI 304: Biodiversity | 304-2 | Significant impacts of activities, products and services on biodiversity | 62 |
| **Animal Welfare** | | | |
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| GRI 13: Agriculture Aquaculture and Fishing Sectors 2022 | 13.11.1 | Animal Health and Welfare | 63 |
| **Climate Change (Energy and Emissions)** | | | |
| GRI 3: Material Topics | 3-3 | Management of material topics | 58 and 59 |
| GRI 302: Energy | 302-1 | Energy consumption within the organisation | 59 |
| | 302-3 | Energy intensity | 59 |
| | 302-4 | Reduction of energy consumption | 59 |
| GRI 305: Emissions | 305-1 | Direct (Scope 1) GHG emissions | 61 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 61 |
| **Climate Change (Water Management)** | | | |
| GRI 3: Material Topics | 3-3 | Management of material topics | 58 and 60 |
| GRI 303: Water and Effluents | 303-1 | Interactions with water as a shared resource | 58 and 60 |
| | 303-5 | Water consumption | 60 |
| **Climate Change (Waste Management)** | | | |
| GRI 3: Material Topics | 3-3 | Management of material topics | 62 |
| GRI 306: Waste | 306-1 | Waste generation and significant waste-related impacts | 62 |
| | 306-4 | Waste diverted from disposal | 62 |
| **Diversity and Equality** | | | |
| GRI 3: Material Topics | 3-3 | Management of material topics | 64 to 67 |
| GRI 401: Employment | 401-1 | New employee hires and employee turnover | 65 to 67 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 64 to 67 |
| GRI 405: Diversity and Equal Opportunity | 405-1 | Diversity of governance bodies and employees | 64 to 67 |
| GRI 406: Non-Discrimination | 406-1 | Incidents of discrimination and corrective actions taken | 65 |
| GRI 408: Child Labour | 408-1 | Operations and suppliers at significant risk for incidents of child labour | 65 |
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| GRI Standards | Disclosure | | Page Reference |
|---|---|---|---|
| **Diversity and Equality** | | | |
| GRI 13: Agriculture Aquaculture and Fishing Sectors 2022 | 13.20.1 | Employment Practices | 64 to 67 |
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| GRI 404: Training and Education | 404-1 | Average hours of training per year per employee | 68 |
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| GRI 3: Material Topics | 3-3 | Management of material topics | 71 |
| **Health and Safety** | | | |
| GRI 3: Material Topics | 3-3 | Management of material topics | 69 and 73 |
| GRI 403: Occupational Health and Safety | 403-1 | Occupational health and safety management system | 69 |
| | 403-9 | Work-related injuries | 69 |
| GRI 416: Customer Health and Safety | 416-1 | Assessment of the health and safety impacts of product and service categories | 73 |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 73 |
| GRI 417: Marketing and Labelling | 417-1 | Requirements for product and service information and labelling | 73 |
| | 417-2 | Incidents of non-compliance concerning product and service information and labelling | 73 |
| | 417-3 | Incidents of non-compliance concerning marketing communications | 73 |
| **Community Engagement** | | | |
| GRI 3: Material Topics | 3-3 | Management of material topics | 70 |
| GRI 413: Local Communities | 413-1 | Operations with local community engagement, impact assessments, and development programs | 70 |

# Sustainability Report

## TCFD CONTENT INDEX

In FY 2024, Qian Hu enhanced our climate-related disclosures to further align with TCFD recommendations, focusing on the four key pillars: governance, strategy, risk management, metrics and targets. Qian Hu further assessed the potential impacts of two climate scenarios on our business segments over three time horizons: short-term (2030), medium-term (2050) and long-term (2100) through a comprehensive qualitative climate scenario analysis.

The table below presents our updated disclosures under the four TCFD pillars, reflecting the Group's ongoing efforts to adapt to evolving climate challenges and strengthen our sustainability practices.

| TCFD Recommended Disclosure | Qian Hu's Approach | Page Reference |
|---|---|---|
| **Governance** | | |
| Describe the board's oversight of climate-related risks and opportunities | Qian Hu has a dedicated governance framework in place to drive, govern and manage the sustainability function to ensure that core material issues are incorporated into our corporate agenda. This structure drives our priorities to protect long-term interests and create value for the shareholders.<br>The Board has oversight of the Group's sustainability approach and the integration of sustainability-related matters, including climate-related issues, in the formulation of the Group's strategy. The Board is updated on climate-related risks and opportunities and actions taken by management. The Board meets regularly to track progress, raise issues or concerns and obtain input and feedback.<br>The Board approves the Sustainability Report, which provides comprehensive sustainability disclosures. | 44 |
| Describe management's role in assessing and managing climate-related risks and opportunities | The Executive Chairman and CEO reports to the Board on all sustainability matters, including climate-related issues that affect our local and overseas markets. He chairs the Sustainability Committee which spearheads the Group's sustainability projects, sets performance benchmarks, as well as provides oversight and guidance to the Sustainability Reporting Team.<br>The Sustainability Reporting Team comprising representatives from each operating entity who have been delegated with specific sustainability reporting roles, executes, monitors and reports on the sustainability efforts, including climate-related issues. | 44 |




| TCFD Recommended Disclosure | Qian Hu's Approach | Page Reference |
|---|---|---|
| **Strategy** | | |
| Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term<br><br>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning<br><br>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | In FY 2024, Qian Hu conducted a qualitative climate scenario analysis to identify and assess climate-related risks and opportunities relevant to the Group. This analysis evaluated the potential impacts of these risks and opportunities on our business operations, costs, and strategic objectives, enabling us to proactively manage risks and seize opportunities to remain sustainable and competitive. The scenario analysis covers our portfolio across three time horizons – 2030 (short-term), 2050 (medium-term), and 2100 (long-term) – using two climate scenario pathways: a 4°C scenario (RCP 8.5) and a Below 2°C scenario (RCP 2.6).<br>The assessment explores how these risks could impact our financial performance and strategic goals. Details of existing mitigation measures and their associated impacts are outlined in the Climate Scenario Analysis section (refer to pages 52 to 55). Plans are underway to conduct a quantitative climate scenario analysis, enabling us to quantify the financial impacts of climate-related risks and opportunities.<br>Recognising the critical importance of proactive mitigation and adaptation, Qian Hu regularly reviews its climate-related strategies and targets against industry best practices and global standards. For updated targets aimed at managing climate risks, refer to the Metrics and Targets section below. | 50 to 57 |
| **Risk Management** | | |
| Describe the organisation's processes for identifying and assessing climate-related risks | A structured three-step process has been established to systematically identify and assess climate-related risks:<br>**1. Data Collection and Analysis**<br>Climate-related projections and transition trends were extracted and analysed through a review of publicly available resources and peer practices. This ensured that identified risks and opportunities were aligned with current climate projections.<br>**2. Engagement with Key Stakeholders**<br>Selected senior management were interviewed to validate identified risks, opportunities, and impacted assets. This engagement ensured alignment with business priorities and provided insights into climate risk perceptions across various departments.<br>**3. Risk Assessment and Ranking**<br>Identified risks were assessed and ranked based on defined criteria for likelihood and magnitude, leading to the development of a comprehensive climate risk register. The risks were subsequently validated and reviewed by the Board and senior management.<br>This systematic approach enables Qian Hu to gain valuable insights into climate-related risks, supporting informed decision-making and alignment with its sustainability objectives. | - |
| Describe the organisation's processes for managing climate-related risks | Qian Hu incorporates climate change and environmental risks into its organisation risk management framework, applying the same approach to managing climate-related risks. | 50 |
| Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management | The Group's Enterprise Risk Management (ERM) Framework is designed to strengthen confidence in our strategies, businesses, and operations by ensuring that key risks are systematically and effectively identified, assessed, and managed.<br>Following the completion of the qualitative climate scenario analysis, Qian Hu will update its ERM framework to fully integrate climate-related risks, ensuring a comprehensive approach to risk management. | - |

# Sustainability Report

## TCFD CONTENT INDEX (Cont'd)

| TCFD Recommended Disclosure | Qian Hu's Approach | Page Reference |
|---|---|---|
| **Metrics and Targets** | | |
| Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process | The Group uses the following metrics to assess the climate-related risks and measure its performance against the targets:<br>1) energy consumption;<br>2) energy use intensity;<br>3) emissions (Scope 1, 2, and selected Scope 3);<br>4) water consumption;<br>5) water use intensity; and<br>6) waste recycling. | 58 to 62 |
| Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas emissions and the related risks | **Emissions** — **FY 2024** / **FY 2023**<br>Scope 1 emissions ($tCO_2e$): 689 / 665<br>Scope 2 emissions ($tCO_2e$): 2,799 / 2,834<br>Selected Scope 3 emissions ($tCO_2e$): 56,359 / 55,028<br>Total emissions ($tCO_2e$): **59,847** / **58,527** | 61 |
| Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets | The Group's target is to reduce water and energy use intensity by 10% by FY 2025 using FY 2020 as the baseline year.<br>Qian Hu intends to set GHG emission reduction targets in qualitative terms and to monitor in quantitative terms in the future as part of our decarbonisation efforts. | 58 |




# Corporate Governance Report

# Corporate Governance Report

The Board of Directors (the "**Board**") of Qian Hu Corporation Limited (the "**Company**") and its subsidiaries (the "**Group**") are firmly committed to ensuring a high standard of corporate governance which is essential to the long-term sustainability of the Group's business and performance.

This report describes the Group's corporate governance structures and practices that were in place throughout the financial year ended 31 December 2024 ("**FY 2024**"), with specific reference made to the principles and provisions of the revised Code of Corporate Governance (the "**Code**") and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Board is pleased to confirm that for FY 2024, the Group has complied with the core principles of the Code, as well as the provisions that underpin the principles of the Code. Appropriate reasons have been provided for any deviations from any principles and/or provisions.

## I. BOARD MATTERS

**The Board's Conduct of its Affairs**

*Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

**PROVISION 1.1**

***Principal Duties of the Board***

The Board is responsible for overseeing and managing the Group's business and is accountable to shareholders for creating shareholder value within a framework that protects the rights and interests of the shareholders.

During FY 2024, as was in the past years, besides having carried out its statutory responsibilities, the Board performed the following role:

- provide leadership and guide in the formulation of the Group's overall long-term strategic plans and performance objectives as well as delivery of short-term objectives;
- monitor and evaluate the adequacy and effectiveness of the Group's internal controls, as well as procedures for financial reporting and compliance with regulatory requirements;
- identify the principal risks of the Group's business and establish a risk management framework to manage these risks for safeguarding the shareholders' interests and the Group's assets;
- review and approve the Group's business plan, including annual budgets, major funding proposals, investment and divestment proposals;
- oversee the business affairs of the Company and monitor the performance of the management and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- approve matters as specified under SGX-ST's interested person transaction policy;
- assume responsibilities for good corporate governance and is responsible for setting the right 'tone at the top' in its policies and decisions to ensure that the Company's corporate values and ethical standards are observed and there is proper accountability throughout the Group and that the obligations to its shareholders and other stakeholders are clearly understood and met; and
- consider sustainability issues, including the integration of sustainability-related matters and the monitoring of sustainability related risks and opportunities, as part of its long-term strategy formulation.

***Discharge of Duties and Independent Judgement***

All directors are fiduciaries who exercise due diligence and independent judgement in dealing with the business affairs of the Group and make decisions objectively to discharge their duties and responsibilities in the best interests of the Group.

The Board and the Management fully appreciate that an effective and robust board whose members engage in open and constructive debate and challenge the management on its assumptions and proposals is fundamental to good corporate governance. The directors on the Board have the appropriate core competencies and diversity of experience to enable them to contribute effectively. They can objectively raise issues and seek clarification as and when necessary, from the Board and the Management on matters pertaining to their area of responsibility and actively help Management in the development of strategic proposals and oversee the effective implementation by Management to achieve the objectives set.



The Board has no dissenting view on the "Letter from the Chairman" for the financial year under review as set out on pages 8 to 10 of this Annual Report.

***Conflict of Interest***

Each director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his/her knowledge. On an annual basis, each director is also required to submit details of his/her associates for the purpose of monitoring interested person transactions. Where a director has a conflict or potential conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed and recuse himself/herself from the discussion, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she is abstained from voting in relation to the conflict-related matters.

**PROVISION 1.2**

***Board Orientation and Training***

A formal letter of appointment is furnished to every newly appointed director upon the appointment setting out among other matters, the roles, obligations, duties and responsibilities as a member of the Board. The Company also conducts a comprehensive and tailored induction programme for newly appointed directors to provide them with the necessary background information about the Group's structure and core values, its strategic direction, risk-related issues and corporate governance practices as well as industry-specific knowledge. Directors have the opportunity to visit the Group's operational facilities and to meet with the Management to gain a better understanding of the Group's business operations. The induction programme gives the directors an understanding of the Group's businesses to enable them to assimilate into their new role. It also allows the new directors to get acquainted with the Management, thereby facilitating Board interaction and independent access to the Management.

In addition to the the induction programme above, in accordance with the Listing Rules of the SGX-ST, a new director appointed to the Board who has no prior experience as a director of a listed company is require to undergo relevant training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST, unless the Nominating Committee is of the view that such training is not required because the director has other relevant experience. Ms Chew Mok Lee was appointed onto the Board during the financial year and she has undergone the relevant mandatory trainings on her roles and responsibilities as a director of a listed company on the SGX-ST.

The Board as a whole is kept up to date from time to time on pertinent business developments in the business, including the key changes in the relevant regulatory requirements and financial reporting standards, risk management, corporate governance, sustainability issues and industry specific knowledge so as to enable them to properly discharge their responsibilities as members of the Board or Board Committees.

New releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") and news articles/ reports (including analyst reports) which are relevant to the Group's business are regularly circulated to all the directors.

The Company Secretaries inform the directors of the availability of relevant courses, conferences and seminars, including those conducted by the Singapore Institute of Directors ("**SID**"). All directors are encouraged to attend appropriate courses, conferences and seminars at the Company's expense to stay abreast of relevant business developments and their outlook.

During the financial year under review, the Board members were provided with regular briefings from the Company's external auditors, KPMG LLP, on applicable Accounting Standards and the developments in governance standards. Both the Executive Chairman and CEO also updated the Board at each meeting on the business and strategic developments pertaining to the Group's business. In addition, all the Board members have completed the mandated sustainability training course organised by SID and the Institute of Singapore Chartered Accountants ("**ISCA**") as required by the enhanced SGX sustainability reporting rules.

**PROVISION 1.3**

***Board Approval***

The Group has adopted internal guidelines governing matters that require the Board's approval, which have been clearly communicated to the Management. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those prescribed limits to Board Committees and specific members of the key management via a structured Delegation of Authority matrix, which is reviewed on a regular basis and accordingly revised when necessary.

# Corporate Governance Report

The matters that require Board's approval include:

- annual budgets and business plan of the Group;
- material acquisition and disposal of assets/investments;
- corporate/financial restructurings or corporate exercise;
- incorporation of new entities;
- issuance of shares, dividend policy & payout and other returns to shareholders;
- risk appetite and risk tolerance for the different categories of risks;
- matters as specified under the SGX-ST's interested person transaction policy;
- announcement of the Group's half year and full year results and the release of the Annual Reports; and
- any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution.

**PROVISION 1.4**

***Delegation by the Board***

To assist the Board in discharging its oversight functions and to enhance the Company's corporate governance framework, various Board Committees, namely the Audit & Risk Management Committee ("**ARMC**"), Remuneration Committee ("**RC**") and Nominating Committee ("**NC**") have been constituted with clearly defined written terms of reference, setting out the compositions, authorities and duties, including reporting back to the Board. These terms of reference are reviewed on a regular basis, along with the committee structures and membership, to ensure their continued relevance, taking into consideration the changes in the governance and regulatory environment. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board.

The responsibilities and authority of the Board Committees set out in their respective terms of reference were revised for alignment with the Code.

During FY 2024, the composition of the Board and Board Committees are as follows:

| Name of Director | Board | Audit & Risk Management Committee | Nominating Committee | Remuneration Committee |
|---|---|---|---|---|
| **Kenny Yap Kim Lee (Executive/Non-Independent)** | Chairman | – | – | – |
| **Yap Kok Cheng (Executive/Non-Independent)** | Member | – | – | – |
| **Soong Wee Choo (Non-Executive/Lead Independent)** | Member | Chairperson | Member | Member |
| **Ling Kai Huat (Non-Executive/Independent)** | Member | Member | Member | Chairperson |
| **Chew Mok Lee (Non-executive/Independent)** (appointed on 1 April 2024) [1] | Member | Member | Chairperson | Member |
| **Sharon Yeoh Kar Choo (Non-executive/Independent)** (retired on 27 March 2024) [2] | Member | Member | Chairperson | Member |

**Notes:**

*(1) Ms Chew Mok Lee was appointed as Non-Executive Independent Director on 1 April 2024.*

*(2) Pursuant to Rule 210(5)(d)(iv) of the SGX-ST Listing Manual, Ms Sharon Yeoh Kar Choo retired as Non-Executive Independent Director at the Company's 25th Annual General Meeting held on 27 March 2024.*

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Minutes of the Board Committee meetings are available to all Board members. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

*Please refer to the various Principles in this Corporate Governance Report for further information on the activities of the respective Board Committees.*



**PROVISION 1.5**

***Board Meetings and Attendance***

The attendance of the directors at the scheduled Board and Board Committees meetings held during FY 2024 is set out below:

| Name of Director | Board | Audit & Risk Management Committee | Nominating Committee | Remuneration Committee |
|---|---|---|---|---|
| **Number of meetings held** | **3** | **3** | **2** | **1** |
| **Number of meetings attended:** | | | | |
| **Kenny Yap Kim Lee** | 3 | 3* | 1* | 1* |
| **Yap Kok Cheng** | 3 | 3* | 1* | 1* |
| **Soong Wee Choo** | 3 | 3 | 2 | 1 |
| **Ling Kai Huat** | 3 | 3 | 2 | 1 |
| **Chew Mok Lee** (appointed on 1 April 2024) | 2 | 2 | 1 | – |
| **Sharon Yeoh Kar Choo** (retired on 27 March 2024) | 1 | 1 | 1 | 1 |

** Attendance by invitation of the Committee*

The dates of meetings of all the Board and Board Committee meetings, as well as the Annual General Meeting ("**AGM**"), are scheduled well in advance each year, in consultation of the Board. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Constitution of the Company provides for directors to conduct meetings by teleconferencing, videoconferencing, or other similar means of communication. The Board and Board Committees also make decisions through circulating resolutions.

The Board held three scheduled meetings in FY 2024 at regular intervals. Besides the scheduled Board meetings, the Board may meet on an ad-hoc basis as warranted by circumstances. Key matters discussed at these meetings include financial performance, annual budget, corporate strategy, significant operational matters, business opportunities, governance practices and sustainability issues.

If a director is unable to attend a Board or Board Committee meeting, he/she will still receive all the papers and materials for discussion at that meeting. The director will review them and advise the Chairman of the Board or the Board Committee of his/her views and comments on the matters to be discussed so that they can be conveyed to other members at the meeting.

***Multiple Board Representations***

All directors are required to declare their board representations. When a director has multiple board representations, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the number of listed company board representations and other principal commitments, as well as if he/she is able to devote sufficient time and attention to the affairs of the Company to adequately and satisfactorily discharge his/her duties as director of the Company. There was no director holding multiple board representations during the financial year under review.

The Company's current policy stipulates that a director should not have more than four listed company board representations and other principal commitments concurrently.

# Corporate Governance Report

**PROVISION 1.6**

***Access to Information***

All directors have unrestricted access to the Company's records and information. From time to time, they are furnished with complete, accurate and adequate information in a timely manner to enable them to be fully cognisant of the decisions and actions of the Management.

The Board receives quarterly management financial statements, annual budgets and explanations on material forecast variances to enable them to understand and oversee the Group's operational and financial performance. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations.

As a general rule, Board papers prepared for each meeting are normally circulated five days in advance of each meeting. This is to give directors sufficient time to review and consider the matters to be discussed so that discussions can be more meaningful and productive. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed. The Board papers provide sufficient background and explanatory information from the Management on financial impact, mitigation strategies, risk analysis, expected outcome, regulatory implications and corporate issues to enable the directors to be properly briefed on issues to be considered at Board and Board Committee meetings. Such explanatory information may also be in the form of briefings to provide additional insights to the directors or formal presentations made by the Management in attendance at the meetings, or by external consultants engaged on specific projects.

**PROVISION 1.7**

***Access to Management and Company Secretary***

The directors have separate and independent access to the Management and the Company Secretaries at all times through email, telephone and face-to-face meetings. Any additional materials or information requested by the directors to make informed decisions are promptly furnished.

Under the direction of the Chairman, the Company Secretaries ensure timely and good information flows within the Board and its Board Committees and between the Management and independent directors.

The Company Secretaries assist the Chairman and the Chairpersons of each Board Committee in the development of the agendas for the various Board and Board Committee meetings. They administer and attend all the Board and Board Committees meetings of the Company and prepare minutes of meetings. The Company Secretaries are also responsible for, among other things, ensuring that Board procedures are observed and that the relevant rules and regulations, including requirements of the Companies Act 1967, Securities and Futures Act and the SGX-ST Listing Manual, are complied with.

As the primary compliance officers for the Group, the Company Secretaries are responsible for designing and implementing a framework for the Management to comply with the Listing Rules of the SGX-ST, including advising the Management to ensure that material information is disclosed on a prompt basis. The Company Secretaries also assist the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhance long-term stakeholders' value.

The appointment and the removal of the Company Secretaries are subject to the approval of the Board.

***Independent Professional Advice***

Where the directors, whether individually or collectively, require independent professional advice in furtherance of their duties and responsibilities, the Company Secretaries will assist in appointing a professional advisor to render the relevant advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company.

**Board Composition and Guidance**

*Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

**PROVISION 2.1**

***Board Independence***

During the financial year under review, the Board consists of five directors, of whom three are considered independent by the Board. With more than half of the Board made up of independent directors, including independence from the substantial shareholders of the Company, the Board can exercise independent and objective judgement on the corporate affairs of the Group. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its stakeholders. No individual or small group of individuals dominates the Board's decision making.

The independence of each director is assessed and reviewed annually by the NC. In the review and deliberation of the independence of the three independent directors, the NC has considered the applicable Listing Rules and the guidelines for independence as set out in Provision 2.1 of the Code, including independence in conduct, character and judgement, and has no business relationships with the Group, its substantial shareholders or its officers which could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the interest of the Group.

Each independent director is required to complete an annual declaration to confirm his/her independence based on the applicable Listing Rules and the guidelines as set out in the Code. The directors must also confirm whether they consider themselves independent despite not having any relationship identified under the applicable Listing Rules and the Code. The NC has examined the different relationships that might impair the directors' independence and is satisfied that all the three non-executive directors are independent.

As at the end of FY 2024, Dr Ling Kai Huat has served on the Board beyond nine years from the date of his first appointment. Notwithstanding that Dr Ling has demonstrated strong independence character and judgement over the years in discharging his duties and responsibilities as an independent director of the Company and could continue to provide noteworthy and valuable contributions objectively to the Board as a whole, in compliance with the amended Rule 210(5)(d)(iv) of the SGX-ST Listing Manual which imposed a hard tenure limit for independent directors of nine years, beyond which such directors will no longer be considered independent, Dr Ling Kai Huat who is due for retirement at the forthcoming AGM, will not seek for re-election.

**PROVISION 2.2**
**PROVISION 2.3**

***Proportion of Non-Executive Independent Directors***

The Company has complied with the relevant provisions as the majority of the Board members are non-executive independent directors.

**PROVISION 2.4**

***Board Composition***

The profile of the directors and key information are set out on pages 12 and 13 of this Annual Report.

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, is satisfied that the current board size and the existing composition of the Board Committees is appropriate and effectively serves the Group. It provides diversity and allows for informed and constructive discussion and effective decision making at the Board meetings. The Board will, however, continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole.

# Corporate Governance Report

***Board Diversity***

Qian Hu's Board Diversity Policy endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant qualities. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The current Board composition reflects the Company's commitment to Board diversity. Every year, the NC conducts its review of the composition of the Board, which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences meet the requirements of the Group at the point in time.

To assist the NC in its annual review of the directors' mix of skills and experiences that the Board requires to function competently and efficiently, all directors submitted a Director Competency Matrix Form, providing information on their areas of specialisation and expertise. The NC, having reviewed the completed forms, is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each director has been appointed on the strength of his/her calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategy and the performance of its business.

In recognition of the importance and value of gender diversity in the composition of the Board, the Company undertake to have at least 30% of female representation on the Board and that if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to present female candidates. The Board has two female directors currently, representing 40% of total Board membership.

In addition, the Board consists of directors with the target age diversity set ranging from mid-40s to mid-70s, who have served on the Board for different tenures. The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

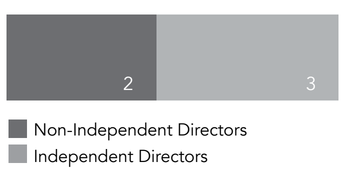
The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure there is diversity on the Board.

**Board Skill Sets**

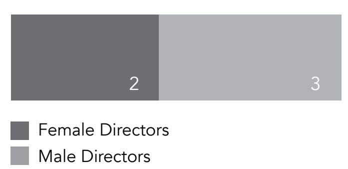
- Accounting and financial management
- Business entrepreneurship
- Legal
- Strategic planning
- Human resource
- Risk management
- Sustainability and Governance

**Details of the Board composition are as follows:**

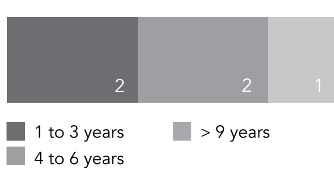
**Board Independence**
(as at 31 December 2024)



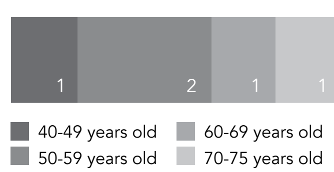

**Board Gender Diversity**
(as at 31 December 2024)




**Directorship with Qian Hu**
(as at 31 December 2024)




**Directors' Age Group**
(as at 31 December 2024)






**PROVISION 2.5**

***Meeting of Independent Directors without Management***

The independent directors, led by the lead independent director, meet amongst themselves at least once a year without the presence of the Management and the Chairman of the Board to discuss and evaluate the performance of the Management as well as the remuneration of the executive directors. The feedback and views expressed by the independent directors was communicated by the lead independent director to the Board and/or the Executive Chairman, as appropriate.

**Chairman and Chief Executive Officer**

*Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

**PROVISION 3.1**

***Separation of the Role of Chairman and the Chief Executive Officer ("CEO")***

During the financial year under review, the roles of the Chairman of the Board and the CEO were separate to ensure clear distinction of responsibilities, appropriate balance of power and increased accountability. Mr Kenny Yap Kim Lee served as the Executive Chairman of the Group, whereas Mr Yap Kok Cheng was the Group's CEO. Mr Yap Kok Cheng reported to the Board led by the Executive Chairman. Mr Yap Kok Cheng is the nephew of Mr Kenny Yap Kim Lee.

*(Note – With effect from 1 January 2025, Mr Kenny Yap Kim Lee relinquished his role as the Executive Chairman. Mr Yap Kok Cheng assumed the role as Executive Chairman and redesignated as Executive Chairman & CEO from 1 January 2025)*

All major proposals and decisions made by the Executive Chairman and CEO are discussed and reviewed by the Board and ARMC. Their performance and appointments are reviewed periodically by the NC and the remuneration packages are reviewed periodically by the RC. As the ARMC, NC and RC consist of all independent directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against a possible concentration of power and authority that a familial relationship exists between the Executive Chairman and the CEO.

**PROVISION 3.2**

***Role of Executive Chairman and CEO***

During FY 2024, the Chairman of the Board, Mr Kenny Yap Kim Lee, was also the Group's Executive Chairman. Mr Kenny Yap Kim Lee played an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. He led the Board in its review of the Group's strategies for sustainable growth and ensures the diversity of the Board. In addition to setting business strategies for the Group and monitoring the translation of the Board's decisions and directions into executive action, he ensured that each member of the Board and the Management worked well together with integrity and competency. As the Executive Chairman, he with the assistance of the Company Secretaries, scheduled Board meetings as and when required and set the agenda for Board meetings with inputs from Management and allow sufficient allocation of time for thorough discussion of each agenda item, in particular strategic issues. He promoted an open environment for constructive debate, encourages independent directors to speak freely and contribute effectively and exercise control over the quality, quantity, accurateness and timeliness of information flow between the Board and the Management. He played a pivotal role in fostering constructive dialogue among stakeholders and provided close oversight, guidance and advice to the CEO and the Management. He also led in the Group in its commitment to achieve and maintain a high standard of corporate governance and sustainability practices with the full support of the Board and the Management.

During FY 2024, as the Group's CEO, Mr Yap Kok Cheng manages the Management team and was responsible for implementing and reviewing the business directions and strategies for the Group as endorsed by the Board, and for operational performance and organisational excellence. In particular, he continues to drive the Group's new growth segment - Aquaculture business.

# Corporate Governance Report

**PROVISION 3.3**

***Appointment of Lead Independent Director***

Taking cognisance that the Chairman of the Board is an Executive Director and thus not independent, the Board has designated a Lead Independent Director who serves as a sounding board for the Chairman and as an intermediary between the non-executive independent directors and the Chairman. The current Lead Independent Director is Ms Soong Wee Choo. The role of the Lead Independent Director is to co-ordinate and to lead the independent directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. She is available to all stakeholders should they have concerns which cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels with the Chairman or the Management.

There were no queries or requests on any matters which required the Lead Independent Director's attention received in FY 2024.

**Board Membership**

*Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

**PROVISION 4.2**

***NC Composition and Role***

The Board established the NC in July 2002 which comprises three non-executive directors, all of whom, including the Chairperson of the NC, are independent. The Lead Independent Director is one of the members of the NC.

Please refer to Provision 1.4 above on the names of the members and the composition of the NC.

The key written terms of reference for the NC are set out on page 112 of this Annual Report.

**PROVISION 4.1**
**PROVISION 4.3**

***Board Renewal & Succession Planning***

The responsibilities of the NC are, among other things, to make recommendations to the Board on all Board appointments, re-appointments, retirements and oversee the Board succession and the leadership development plans of the key management personnel ("**KMP**").

Board renewal is a continuous process and is a crucial element of the Group's corporate governance process. In this regard, the NC reviews annually the composition of the Board and Board Committees, which includes size and appropriate mix of expertise and experience and recommends to the Board the selection and appointment of new directors with a view to identifying any gaps in the Board's skills set taking into consideration the Group's strategy and business operations. The NC will seek to refresh the Board's membership progressively and in an orderly manner, to avoid losing institutional memory.

*(more details are set out in the "Qian Hu's succession planning" section on page 68 of this Annual Report)*

***Process for Selection and Appointment of New Directors***

The NC is responsible for identifying candidates and reviewing all nominations for the appointments of new directors. When an existing director chooses to retire or the need for a new director arises, either to replace a retiring director or to enhance the Board's strength, the NC, in consultation with the Board, evaluates and determines the selection criteria to identify candidates with the appropriate expertise and experience for the appointment as new director. The selection criterion includes integrity, independence, leadership skills, diversity of competencies, expertise required, industry experience, time commitment, and financial literacy. The NC and each individual director will try to source for suitable candidates based on their networks and are empowered to engage external parties, such as professional search firms and institutions, to identify potential candidates or to undertake research on or assessment of candidates as they deem necessary.

The NC then meets with the shortlisted potential candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating the most suitable candidate to the Board for approval and appointment as director.

***Process for Re-appointment of Directors***

The role of the NC also includes the responsibility of reviewing the re-nomination of directors who retire by rotation, taking into consideration the director's integrity, independence mindedness, contribution and performance (such as attendance record, preparedness and participation at meetings) and any other parameters as may be determined by the NC.

All directors, including the Executive Chairman, submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. Pursuant to Regulation 91 of the Company's Constitution, one-third of the Board are to retire from office by rotation and be subject to re-appointment at the Company's AGM. In addition, Regulation 90 of the Company's Constitution stipulates that a director newly appointed by the Board during the financial year must retire and submit himself/herself for re-appointment at the next AGM following his/her appointment. Thereafter, the director is subject to be re-appointed at least once every three years at the Company's AGM.

The names and additional information of the directors who are seeking re-election at the forthcoming AGM to be held on 3 April 2025 are stated in the Notice of AGM set out on pages 196 to 200 of this Annual Report.

**PROVISION 4.4**

***Continuous Review of Directors' Independence***

The NC is charged with determining the independence of the directors as set out under Provision 2.1 above.

The Board, after taking into consideration the views of the NC, is of the view that Ms Soong Wee Choo, Dr Ling Kai Huat and Ms Chew Mok Lee are independent and that no individual or small group of individual dominates the Board's decision-making process.

During FY 2024, there was no alternate director appointed on the Board.

**PROVISION 4.5**

***Directors' Time Commitments***

The NC ensures that new directors are aware of their duties and obligations. For re-nomination and re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to the Group.

Each director is required to confirm annually to the NC as to whether he/she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a director of the Company. Based on the directors' annual confirmation and the directors' commitments to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings, the NC and the Board are of the view that all the directors were able to diligently discharge their duties as directors of the Company in FY 2024.

In addition to the current procedures for the review of the attendance records and analysis of directorships, a policy has also been put in place for directors to consult the Executive Chairman and the Chairperson of the NC before accepting any new listed company board appointment or principal commitment and notifying the Board of any changes in their external appointments. This would allow the director to review his/her time commitments with the proposed new appointment and in the case of an independent director, to also ensure that his/her independence would not be affected.

# Corporate Governance Report

**Board Performance**

*Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

**PROVISION 5.1**
**PROVISION 5.2**

***Board and Board Committees Evaluation Process***

The Board, through the NC, has used its best effort to ensure that directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience and the relevant skills set which are critical to the Group's business. It has also ensured that each director, with his/her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The NC has established a formal review process to assess the performance and effectiveness of the Board as a whole and each of its Board Committees, as well as the contribution by the Chairman of the Board and each individual directors to the effectiveness of the Board.

The NC assesses the performance of the Board and its Board Committees annually, using objective and appropriate criteria which were recommended by the NC and approved by the Board. During the financial year under review, all members completed evaluation questionnaires designed to seek their view on the various aspects of the Board and each of its Board Committees' (ARMC, RC and NC) performance and competencies, so as to assess the overall effectiveness of the Board and its Board Committees. To ensure confidentiality, the completed evaluation forms were submitted to the Company Secretaries for collation. The consolidated responses were presented to the NC for review before submitting them to the Board for discussion and to determine the areas for improvement and enhancement of the effectiveness of the Board and its Board Committees.

Following the review in FY 2024, the Board is of the view that the Board and its Board Committees operate effectively, and that each director is contributing to the overall effectiveness of the Board and its Board Committees.

There was no external consultant involved in the Board evaluation process in FY 2024.

***Board and Board Committees Evaluation Criteria***

The performance criteria for the board evaluation consists of qualitative factors such as board size and composition, board independence, board processes, board information and accountability, board performance in relation to discharging its principal functions and board committee performance in relation to discharging their responsibilities as set out in their respective terms of reference.

The assessment of Board Committees' performance includes the composition and skill sets of the Committees, performance and compliance with the written terms of reference, as well as the effectiveness of meeting procedures.

The primary objective of the evaluation exercise is to create a platform for the Board and its Board Committees' members to deliberate and identify the key strengths and to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and its Board Committees.

***Chairman Evaluation***

The evaluation of the Chairman of the Board is undertaken by the RC and the NC, and the results are reviewed by the Board.

The assessment of the Chairman of the Board is based on his ability to lead, whether he established proper procedures to ensure the effective functioning of the Board and that the time devoted to board meetings were appropriate and are conducted in a manner that facilitate open communication and meaningful participation for effective discussion and decision-making by the Board. He also ensures that the Board Committees formed were appropriate, with clear terms of reference, to assist the Board in the discharge of its duties and responsibilities.



***Individual Director Evaluation***

Individual director's performance is evaluated annually on a continual basis by the NC and the Chairman of the Board. Some factors taken into consideration by the NC and the Chairman of the Board include the value of contribution to the development of strategy, availability at board meetings (as well as informal contribution via email and telephone), interactive skills, degree of preparedness, industry and business knowledge and experience each director possess which are crucial to the Group's business.

The individual director evaluation exercise assists the NC in determining whether to re-nominate directors who are due for retirement at the forthcoming AGM, and in determining whether directors with multiple board representations are able to and have adequately discharged their duties as directors of the Company.

Nonetheless, the replacement of a director, when it happens, does not necessarily reflect the director's performance or contributions to the Board, but may be driven by the need to be in compliance with the Listing Rules of the SGX-ST and/or to align the Board with the medium- or long-term needs of the Group.

When deliberating on the performance of a particular director who is also a member of the NC, that member abstains from the discussions to avoid any conflict of interests.

The Board is satisfied with the performance of all the directors in the evaluation exercises carried out by the NC for FY 2024.

## II. REMUNERATION MATTERS

**Procedures for Developing Remuneration Policies**

*Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

**PROVISION 6.2**

***RC Composition and Role***

The Board established the RC in July 2002 which comprises three non-executive directors, all of whom including the Chair of the RC are independent.

Please refer to Provision 1.4 above on the names of the members and the composition of the RC.

The key written terms of reference for the RC are set out on page 112 of this Annual Report.

**PROVISION 6.1**
**PROVISION 6.3**
**PROVISION 6.4**

***Remuneration Framework***

The RC is responsible for ensuring that a formal and transparent procedure is in place for developing policy and for determining the remuneration packages of individual directors and KMP. The RC recommends for the Board's endorsement, an appropriate remuneration framework which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for each director and KMPs. The remuneration framework in place is reviewed periodically to ensure that it remain relevant and effective.

On an annual basis, the RC reviews and recommends the specific remuneration packages of the executive directors and the KMPs, including the annual increments and year-end variable bonuses, for approval by the Board. The RC also considers the termination terms in the contracts of employment of the executive directors and KMPs to ensure that they are not unfair or unreasonable.

# Corporate Governance Report

The RC has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary. There being no specific necessity, the RC did not seek the service of an external remuneration consultant in FY 2024.

**Level and Mix of Remuneration**

*Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

**PROVISION 7.1**
**PROVISION 7.3**

***Remuneration of Executive Directors and KMPs***

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the executive directors and KMPs commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO (together with other KMPs) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into consideration the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

Executive directors do not receive directors' fee but are remunerated as members of the Management. The remuneration packages of the executive directors and the KMPs is linked to the performance of the Group as a whole, as well as the individual performance. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance to promote the long-term sustainability of the Group.

Service contracts for executive directors are for a fixed appointment period and do not contain onerous removal clauses.

Having reviewed and considered the variable components of the executive directors and KMPs, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. In addition, the executive directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the executive directors in the event of such breach of fiduciary duties.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer-term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for stakeholders.

**PROVISION 7.2**

***Remuneration of Non-Executive Directors***

Non-executive directors have no service agreements (except for the letter of appointment) with the Company and their terms in office are specified in the Constitution. When reviewing the structure and level of directors' fee for the non-executive directors, the RC takes into consideration the directors' respective roles and responsibilities in the Board and its Board Committees.

Each of the non-executive directors receives a base director's fee. Directors who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with the Chairpersons of the Board Committees receiving a higher fee in respect of their service as Chairpersons of the respective Board Committees to reflect the expanded responsibilities.



The structure of the fees payable to the non-executive directors of the Company for FY 2024 is as follows:

| Appointment | Per Annum |
|---|---|
| **Board of Directors**<br>**- Base fee**<br>(non-executive director only) | $10,000 |
| **Audit & Risk Management Committee**<br>**- ARMC Chairperson's fee**<br>**- ARMC Member's fee** | $8,000<br>$5,000 |
| **Nominating Committee**<br>**- NC Chairperson's fee**<br>**- NC Member's fee** | $6,000<br>$5,000 |
| **Remuneration Committee**<br>**- RC Chairperson's fee**<br>**- RC Member's fee** | $6,000<br>$5,000 |

The RC is mindful that the remuneration for non-executive directors should not be excessive so as not to compromise or reasonably be perceived to compromise their independence. No director is involved in deciding his/her own remuneration.

The Board concurred with the RC that the proposed directors' fees for FY 2024 is appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors. Directors' fees are recommended by the RC, concurred by the Board, and submitted for approval by the shareholders at the AGM of the Company.

The Company currently does not have any share-based compensation scheme, or any long-term incentive scheme involving the offer of shares or grant of options in place to encourage the non-executive directors to hold shares in the Company.

**Disclosure on Remuneration**

*Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

**PROVISION 8.1**
**PROVISION 8.2**
**PROVISION 8.3**

***Remuneration Criteria***

The compensation packages for employees including the executive directors and the KMPs comprised a fixed component (in the form of a basic salary) and a variable component (normally consist of cash-based annual bonus) and benefits-in-kind, where applicable, considering amongst other factors, the individual's performance, the performance of the Group and industry practices.

When determining the fixed and variable components, the individual performance is taken into consideration and remuneration recommendations are reviewed by the RC in the light of any annual guidance from the National Wages Council and competitive market practices. This is further reviewed along with the Group's performance, taking into consideration the pre-defined key performance indicators (including financial and non-financial targets) achieved by the Group based on its short- and long-term objectives. The Board exercises its discretion and independent judgment in ensuring that there is a balance between business and risk taking and that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Group.

During the financial year under review, there was no termination, retirement or post-employment benefits granted to any director or KMP.

# Corporate Governance Report

*Disclosure of Remuneration*

## REMUNERATION TABLE

**i) Remuneration of Directors**

The breakdown of the total remuneration of the directors of the Company for FY 2024 is set out below:

| Name of Director | Salary | Bonus | Director's Fees | Total Remuneration |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Kenny Yap Kim Lee** | 222,240 | – | – | 222,240 |
| **Yap Kok Cheng*** | 313,872 | 27,244 | – | 341,116 |
| **Soong Wee Choo** | – | – | 28,000 | 28,000 |
| **Ling Kai Huat** | – | – | 26,000 | 26,000 |
| **Chew Mok Lee** (appointed on 1 April 2024) | – | – | 19,500 | 19,500 |
| **Sharon Yeoh Kar Choo** (retired on 27 March 2024) | – | – | 6,500 | 6,500 |
| **Total** | **536,112** | **27,244** | **80,000** | **643,356** |

* *Mr Yap Kok Cheng is the nephew of Mr Kenny Yap Kim Lee, Executive Chairman.*

- The salary and bonus amounts shown are inclusive of Singapore Central Provident Fund (CPF) contributions.
- The director's fees are subject to shareholders' approval at the Annual General Meeting.

**ii) Remuneration of Key Management Personnel**

The breakdown of total remuneration of the top five key management personnel of the Group (who are not directors) for FY 2024 is set out below:

| Name of Management Personnel | Salary | Bonus | Allowance & Benefit | Total Remuneration |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Alvin Yap Ah Seng*** | 300,240 | 26,046 | – | 326,286 |
| **Andy Yap Ah Siong*** | 300,240 | 44,046 | – | 344,286 |
| **Lai Chin Yee** | 300,240 | 26,046 | – | 326,286 |
| **Jimmy Tan Boon Kim** | 260,400 | 21,700 | – | 282,100 |
| **Yap Kay Wee**** | 161,472 | 7,196 | – | 168,668 |
| **Total** | **1,322,592** | **125,034** | **–** | **1,447,626** |

* *Mr Alvin Yap Ah Seng and Mr Andy Yap Ah Siong are brothers and cousins of Mr Kenny Yap Kim Lee, Executive Chairman and uncles of Mr Yap Kok Cheng, CEO and Executive Director.*
** *Mr Yap Kay Wee is cousin of Mr Yap Kok Cheng, CEO and Executive Director.*

- The salary and bonus amounts shown are inclusive of Singapore Central Provident Fund (CPF) contributions.

**iii) Remuneration of Immediate Family Members of CEO and Executive Directors**

The breakdown of total remuneration of employees who are immediate family members of the CEO and the Executive Directors for FY 2024 is set out below:

| Name of Executive | Salary | Bonus | Allowance & Benefit | Total Remuneration |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Yap Ping Heng** | 74,820 | 6,020 | – | 80,840 |
| **Yap Hock Huat** | 73,284 | 6,104 | – | 79,388 |
| **Yap Kim Chuan** | 74,928 | 6,272 | – | 81,200 |
| **Lim Yik Kiang** | 133,872 | 11,700 | – | 145,572 |
| **Yap Kok Fong** | 125,472 | 20,844 | – | 146,316 |
| **Total** | **482,376** | **50,940** | **–** | **533,316** |

* *Mr Yap Ping Heng, Mr Yap Hock Huat and Mr Yap Kim Chuan are brothers of Mr Kenny Yap Kim Lee, Executive Chairman.*
* *Mr Yap Hock Huat is father of Mr Yap Kok Cheng, CEO and Executive Director.*
* *Mr Yap Ping Heng and Mr Yap Kim Chuan are uncles of Mr Yap Kok Cheng, CEO and Executive Director.*
* *Mr Lim Yik Kiang is brother-in-law of Mr Yap Kok Cheng, CEO and Executive Director.*
* *Mr Yap Kok Fong is brother of Mr Yap Kok Cheng, CEO and Executive Director.*

- The salary and bonus amounts shown are inclusive of Singapore Central Provident Fund (CPF) contributions.

The Company does not have any share-based compensation scheme or any long-term incentive scheme involving the offer of shares or options in place. The Board is of the view that such long-term incentive plan is not effective and that it is difficult to determine how much such form of deferred remuneration contributes to the retention of employees and to motivate their performance.

## III. ACCOUNTABILITY AND AUDIT

**Risk Management and Internal Controls**

*Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

**PROVISION 9.1**

***Oversight of Risk Management***

The Board established a Risk Management Committee in FY 2013 as part of the Group's effort to strengthen its risk management processes and framework, in overseeing the formulation and reviewing the adequacy and effectiveness of the Group's risk management systems and internal controls and to report to the Board annually its observations on any matters under its purview.

On 29 March 2021, the Board consolidated the Audit Committee and Risk Management Committee and renamed it as Audit & Risk Management Committee. Thereafter, the responsibility of overseeing the Company's risk management framework, policies and processes is assumed by the ARMC with the assistance of the internal auditors.

***Nature and Extent of Risks***

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework but recognises that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against the occurrence of material errors or poor judgment in decision-making.

# Corporate Governance Report

Risk assessment and evaluation is an essential part of the business planning and monitoring process. The Board has the overall responsibility for providing leadership, articulating the risk appetite and tolerance levels and ensuring that a robust risk management and compliance culture prevails. The Board, with the assistance of the ARMC, has developed a risk management framework to ensure that the structure, policies and processes are aligned with the strategic direction set by the Board. It has also put in place a documentation on its risk profile which summarises the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks for the review by the ARMC and the Board annually.

The documentation provides an overview of the Group's risk profile and its key risk indicators (KRIs), the appropriate risk tolerance limits set for the respective risks, their likelihood of occurrence and the consequential impact on the Group as a whole. Having identified the risks that affect the achievement of the Group's business objectives and/or financial performance, each business unit is responsible for managing the risks arising from their respective operations and to document the mitigating actions in place and/or proposed in respect of each significant risk. It allows the Group to address the on-going risk exposures and identify the challenges and opportunities in the business environment so as to reduce uncertainties and facilitate the shareholder value creation process. Risk awareness and ownership of risk treatments are also continuously fostered across the business units of the Group.

Having regard to the risks which the business is exposed, the likelihood of such risks occurring and the risk tolerance accepted by the Group, the internal controls structure of the Group has been designed and put in place by the Group's business units to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations.

An overview of the key risks, the extent of the Group's exposure and the approach to managing these risks are set out in the "Risk Management" section on pages 113 to 120 of this Annual Report.

**PROVISION 9.2**

***Assurance from the CEO, Finance Director and KMPs***

The ARMC reviewed and assessed the adequacy and effectiveness of the Group's internal controls that address the Group's financial, operational, compliance and information technology risks, with the assistance of the internal and external auditors and the Management.

For the financial year under review:

(i) written assurance was received from the CEO and the Finance Director that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(ii) written assurance was received from the CEO, Finance Director and the KMPs that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations.

The Company has complied with Rule 1207(4)(B)(IV) of the SGX-ST Listing Manual in relation to the risk management policies and processes. Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, the reviews performed by the external and internal auditors, as well as the written representation by the Management, the Board, with the concurrence of the ARMC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 December 2024 to address the risks that the Group considers relevant and material to its operations.

The process of reviewing and strengthening the Group's control environment is an evolving process. Management will continue to devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.



**Audit Committee**

*Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.*

**PROVISION 10.2**
**PROVISION 10.3**

***ARMC Composition and Role***

The Board established the Audit Committee in July 2000. On 29 March 2021, it consolidated the Audit Committee and the Risk Management Committee and renamed it as the Audit & Risk Management Committee. The ARMC comprises three non-executive directors, all of whom, including the Chairperson of the ARMC, are independent.

Please refer to Provision 1.4 above on the names of the members and the composition of the ARMC.

The key written terms of reference for the ARMC are set out on page 111 of this Annual Report.

Ms Soong Wee Choo, Chairperson of the ARMC, is a certified member of the Institute of Singapore Chartered Accountants (ISCA). She possesses recent and relevant accounting or related financial management knowledge and risk management expertise, whilst the other two ARMC members have regulatory, governance and industrial background. With the current composition, the Board believes that the ARMC members are appropriately qualified to discharge their responsibilities as defined under the terms of reference, which have been approved by the Board.

No former partner or director of the Company's existing auditing firm is a member of the ARMC.

The ARMC is responsible for assisting the Board in its oversight of the reliability and integrity of the accounting policies and financial reporting as well as to scrutinize the adequacy and effectiveness of the internal control systems. The ARMC is authorised by the Board and has explicit authority to investigate any matter within its terms of reference. It has direct and unrestricted access to, and the co-operation of the Management and full discretion to invite any executive director or KMP to attend its meetings. The ARMC has adequate resources, including access to external consultants, lawyers or other professionals as it seems fit to provide independent counsel and advice, to assist in the review or investigation into such matters within its terms of reference as it deems appropriate at the Company's expense.

The ARMC met three times in FY 2024. The executive directors and the finance director were invited to attend the meetings.

**PROVISION 10.1**
**PROVISION 10.4**

***Financial Reporting Matters***

The ARMC reviews the financial statements, SGXNET announcements and all related disclosures to shareholders before submission to the Board for approval. In the process, the ARMC reviews the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance to ensure the integrity and fairness of the financial statements, as well as its compliance with the accounting standards and the applicable laws and regulations.

In the review of the financial statements for FY 2024, the ARMC also discussed significant matters impacting the financial statements with the Management and the external auditors.

***Internal Controls & Regulatory Compliance***

The ARMC reviews the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems through discussion with Management and its auditors and report to the Board annually.

The ARMC reviews the assurance from the CEO and the Finance Director on the financial records and financial statements.

# Corporate Governance Report

*External Audit*

The ARMC reviews the scope and results of the audit carried out by the external auditors, the cost effectiveness of the audit and the independence and objectivity of the external auditors. It always seeks to balance the maintenance of objectivity of the external auditors and their ability to provide value-for-money professional services.

The ARMC, in determining the independence and objectivity of the external auditors, KPMG LLP ("**KPMG**"), reviewed all aspects of their relationships with them, including the processes, policies and safeguards adopted by the Group and KPMG relating to audit independence. The ARMC also considered the nature and volume of the provision of the non-audit services in FY 2024 and the corresponding fees.

The total fees paid/payable to KPMG in FY 2024 are set out below:

| | |
|---|---|
| Audit Fees for FY 2024 | $166,000 |
| Non-Audit Fees – services relating to sustainability reporting | $63,000 |
| % of Non-Audit Fees to Audit Fees | 38% |

The non-audit fees arose primarily from the advisory services provided in connection with the Group's Environmental, Social and Governance ("**ESG**") reporting roadmap and compliance with SGX reporting requirements. The ARMC noted that these were not prohibited services and do not pose a threat to the external auditors' independence, and safeguards had been put in place by KPMG to ensure that the independence of the audit team is not impaired. The ARMC is thus of the opinion that such non-audit fees did not impair or threaten the audit independence. Based on the review, the ARMC is of the opinion that KPMG is, and is perceived to be, independent for the purpose of the Group's statutory financial audit.

The ARMC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming AGM of the Company.

Details of fees payable to other auditors are set out on page 175 of this Annual Report.

The ARMC recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors.

In reviewing the nomination of KPMG for re-appointment for the financial year ending 31 December 2025, the ARMC has considered the adequacy of the resources, experience and competence of KPMG, and has taken into account the Accounting and Corporate Regulatory Authority's (ACRA) Audit Quality Indicators Disclosure Framework relating to KPMG at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The ARMC also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and its ability to deliver their services professionally and within agreed timelines.

Based on the above, the ARMC is satisfied with the standard and quality of work performed by KPMG. It has recommended to the Board the nomination of KPMG for re-appointment as external auditors of the Company, subject to the shareholders' approval at the forthcoming AGM.

The Company has complied with Rules 712 and Rule 715 (read with Rule 716) of the SGX-ST Listing Manual in relation to the appointments of its external auditors. The ARMC and the Board are also satisfied with the standards and the effectiveness of the audits performed by the independent auditors, other than those of the Company.

*Internal Audit*

The primary role of internal audit is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group, reviewing the internal controls of the Group to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Group complies with the relevant laws, regulations and policies established.

The internal audit function plans its internal audit schedule in consultation with, but independent of the Management. The ARMC examines the internal audit plan, determines the scope of audit examination and approves the internal audit budget. It also oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary co-operation to enable the internal auditors to perform its function. In addition, the internal auditors may be involved in ad-hoc projects initiated by the Management which require the assistance or/and assurance of the internal auditors in specific areas of concerns.

The Company has appointed Lo Hock Ling & Co. ("**LHL**") to perform the internal audit function of the Group. The internal audit work carried out by LHL is guided by the International Standards for the Professional Practice of Internal Auditing developed by the Institute of Internal Auditors ("**IIA**") and has incorporated these Standards into its audit practices and meet the standards set by the IIA. The internal auditors report primarily to the Chairperson of the ARMC and have unrestricted access to the documents, records, properties and personnel of the Company and of the Group. The ARMC annually reviews the adequacy and effectiveness of the internal audit function to ensure that resources are adequate and that the internal audits are performed effectively. It approves the appointment, termination, evaluation and the remuneration of the internal auditors.

The ARMC is satisfied that the internal audit function is independent and is staffed by suitably qualified and experienced professionals with the relevant experience to perform its function effectively.

*Whistle Blowing Policy*

The Company has established a Code of Conduct and Business Ethics that sets the principles of the code of conduct and business ethics which applies to all employees of the Group. This code covers areas such as conduct in workplace, business conduct, protection of the Company's assets, confidentiality of information and conflict of interest, etc. Directors, KMPs and employees are expected to observe and uphold high standards of integrity which are in compliance with the Company's policies and the law and regulations of the countries in which it operates.

The Group has put in place a whistle blowing framework, endorsed by the ARMC, which provides the mechanisms where employees may, in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to Ms Soong Wee Choo, Chairperson of the ARMC. Details of the whistle blowing policies, together with the dedicated whistle blowing communication channels (such as email address and telephone contacts) have been made available to all employees. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action and provides assurance that employees will be protected from reprisal within the limits of the law or victimisation for whistle blowing in good faith. Anonymous reporting will also be attended to and anonymity honoured.

The whistle blowing policy and procedures are reviewed by the ARMC from time to time to ensure that they remain relevant.

The ARMC reports to the Board on such matters at the Board meetings. Should the ARMC receive reports relating to serious offences and/or criminal activities in the Group, the ARMC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

There was no reported incident pertaining to whistle blowing during FY 2024 and until the date of this Annual Report.

**PROVISION 10.5**

**Meeting Auditors without Management**

The ARMC meets with the external auditors and the internal auditors, at least once a year, without the presence of the Management, to review any matter that might be raised. These meetings enable the auditors to raise any issues in the course of their work directly to the ARMC.

# Corporate Governance Report

## IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

**Shareholder Rights and Conduct of General Meetings**

*Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

**PROVISION 11.1**
**PROVISION 11.2**

***Conduct of General Meetings***

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNET and the Company's corporate website – www.qianhu.com.

In order to provide ample time for the shareholders to review, the notice of AGM, together with the Annual Report, is distributed to all shareholders 28 days before the scheduled AGM date. Shareholders are invited to submit questions to the Chairman of the AGM in advance of, or to put forth any questions they may have on the motions to be debated and decided upon at the AGM.

Pursuant to Rule 730A(2) of the SGX-ST Listing Manual, all resolutions proposed at the AGMs and at any adjournment shall be put to the vote by way of poll. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM. Each share is entitled to one vote. In support of greater transparency and to allow for a more efficient voting process, the Company conducts electronic poll voting in respect of all the resolutions tabled at the AGM. The detailed procedures for the electronic poll voting are explained at the AGM. An external firm is appointed as scrutineers for the AGM voting process, which is independent of the firm appointed to undertake the electronic poll voting process. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages resolution are tallied and instantaneously displayed on the screen after each poll conducted during the AGM. The results are also announced via SGXNET on the same day.

The resolutions tabled at the general meetings are on each distinct issue. The Company does not "bundle" resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

Detailed information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM in the Annual Report.

**PROVISION 11.3**

***Interaction with Shareholders***

At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the directors and the Management questions regarding matters affecting the Company and the Group.

The Executive Chairman and all the directors (including the Chairpersons of the ARMC, NC and RC) were present at the last AGM held on 27 March 2024. All directors will endeavour to be present at the Company's forthcoming AGM to be held on 3 April 2025 to address shareholders' questions relating to the work of the Board and the Board Committees.

The Company's external auditors are also available at the AGM to address any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

**PROVISION 11.4**

***Shareholders' Participation***

The Company supports active shareholder participation at general meetings. Annual reports are distributed to all shareholders 28 days before the scheduled general meeting date. All shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and visions. If shareholders are unable to attend the meetings, the Constitution of the Company allows shareholders who are not relevant intermediaries to appoint not more than two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries to appoint more than two proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings.

Voting in absentia such as voting via mail, electronic mail or facsimile at the general meetings may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.

**PROVISION 11.5**

***Minutes of General Meetings***

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions tabled for approval and/or ask the directors or the Management questions regarding the Company and its operations.

Since FY 2003, the Board has developed several channels, which include electronic mail or facsimile, for shareholders who are not able to attend the AGM to contribute their feedback and input. The detailed AGM minutes, which include comments and the questions raised by shareholders, together with the responses from the Board and the Management, are publicly available on both the SGXNET and the Company's corporate website within seven working days from the date of the meeting.

**PROVISION 11.6**

***Dividend Policy***

Qian Hu is committed to rewarding shareholders fairly and sustainably, balancing the payment of dividends while taking into consideration the Group's financial performance, cash flow generation, projected capital requirements for business growth and general global economic conditions, so as to ensure that the best interests of the Company are served.

It has formalised its dividend policy to provide a return to shareholders at least once a year through the payment of dividends, which aims to pay shareholders sustainable and growing dividend over time, consistent with its long-term growth prospects. In compliance with Rule 704(24) of the Listing Manual of SGX-ST, in the event that the Board decides not to declare or recommend a dividend, the reasons for such decision will be expressly disclosed together with the financial statements announcement.

The Board of directors has declared a final dividend of 0.4 Singapore cents per ordinary share for FY 2024 (FY 2023: 0.3 Singapore cents per ordinary share).

# Corporate Governance Report

**Engagement with Shareholders**

*Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

**PROVISION 12.1**
**PROVISION 12.2**
**PROVISION 12.3**

***Disclosure of Information on Timely Basis***

Qian Hu is firmly committed to corporate governance and transparency by disclosing to its stakeholders, including its shareholders, as much relevant information as is possible, in a timely, fair and transparent manner as well as hearing its shareholders' views and addressing their concerns. By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility.

The Company discloses well in advance the date of release of its financial results in the Annual Report of the preceding year and confirms approximately two weeks prior to the actual date of the release through a SGXNET announcement. Since FY2020, the Company has moved to semi-annual reporting of its financial performance. The unaudited half-year results and audited full-year results were released to shareholders within 20 days (on 18 July 2024) and 15 days (on 15 January 2025) from the end of the respective reporting periods. All SGXNET financial statements announcements were accompanied by a press release in both the English and Chinese languages.

Other than the SGXNET financial statements announcements and Annual Reports, all relevant and material information are also released to the public timely in accordance with the applicable laws and regulations.

Outside of the financial announcement periods, when necessary and appropriate, the Executive Chairman and/or CEO will meet analysts and fund managers who like to seek a better understanding of the Group's operations. The Executive Chairman and/or CEO also engage with local and foreign investors to solicit feedback from the investment community on a range of strategic and topical issues which should provide valuable insights to the Board on investors' views. When opportunities arise, the Executive Chairman and/or CEO conduct media interviews to give its shareholders and the investors' public a profound prospective of the Group's business prospects to assist in their investment decision-making.

***Investor Relations Practices***

Qian Hu has in place an Investor Relations Policy, which sets out the process and mechanism to engage its shareholders, including the channel of communication for questions to be posed by shareholders and through which the Company may respond accordingly.

Through the investor relations (IR) personnel, the Company communicates and engages with shareholders, analysts and other stakeholders to provide balanced, consistent, clear and pertinent information on a regular basis, as well as to attend to their queries or concerns and to keep the investors public apprised of the Group's corporate developments and financial performance.

To enable shareholders to contact the Company easily, the contact details of the IR personnel are set out on page 4 of this Annual Report as well as on the Company's website. The IR personnel have procedures in place for following up and addressing stakeholders' queries as soon as practicable.

Full details of the Group's investor relations (IR) initiatives are set out on pages 77 and 78 of this Annual Report.

## V. MANAGING STAKEHOLDERS RELATIONSHIPS

**Engagement with Stakeholders**

*Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

**PROVISION 13.1**
**PROVISION 13.2**

***Stakeholders' Engagement***

Since FY 2011, Qian Hu has started a sustainability framework that outline its sustainability efforts. Since FY 2022, the Group has reported its sustainability performance in accordance with the SGX Sustainability Report Guide, with reference to the Global Reporting Initiative (GRI) reporting framework and has aligned its climate-related disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) in the four key areas of governance, strategy, risk management and metrics and targets. It has also mapped the material environmental, social and governance (ESG) topics to the United Nations Sustainable Development Goals (SDG) and will continually review the Group's sustainable business strategy to improve the stewardship and reporting format.

Qian Hu has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address their concerns so as to improve the services and products' standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are expected to be reasonably impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. Six stakeholders' groups have been identified through an assessment of their significance to the Group's business operations. They are namely, suppliers, customers, employees, community, investors and regulators.

The Group has also undertaken a process to determine the ESG topics which are important to these stakeholders. These topics form the materiality matrix upon which targets, performance and progress are tracked, reviewed and endorsed by the Board annually.

More details on Qian Hu's approach to stakeholder engagement and materiality assessment are disclosed on pages 45 to 49 of this Annual Report.

Having identified the stakeholders and the material ESG topics, the Group has provided the necessary guidance on the key areas of focus and the prioritisation of resources for the various sustainability initiatives.

Please refer to the Sustainability Report on pages 41 to 84 of this Annual Report for further details.

**PROVISION 13.3**

***Corporate Website***

The Company does not practice selective disclosure of material information. All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET, press releases and the Company's corporate website – www.qianhu.com.

The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. It has a dedicated "Investor Relations" link which features the latest and past annual reports, financial results, and related information.

# Corporate Governance Report

## VI. OTHER CORPORATE GOVERNANCE MATTERS

**DEALING IN SECURITIES**
**- Listing Manual Rule 1207(19)**

In compliance with Rule 1207(19) of the SGX-ST Listing Manual on best practices in respect of dealing in securities, the Group has in place an internal compliance policy which prohibits the directors, KMPs of the Group and their connected persons from dealing in the Company's shares during the "black-out" period – being one month immediately preceding the announcement of the Company's half-year and full-year results, or if they are in possession of unpublished price-sensitive information of the Group.

In addition, directors, KMPs and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also refrained from dealing in the Company's shares on short-term considerations.

All directors are required to seek the Board's approval before trading in the Company's shares and are also required to notify the Company Secretaries of any change in his/her interest in the Company's shares within two business days of the change.

During FY 2024, there was no trading of the Company's shares by insiders.

**MATERIAL CONTRACTS**
**- Listing Manual Rule 1207(8)**

Pursuant to Rule 1207(8) of the SGX-ST Listing Manual, there was no material contract involving the interests of any director or controlling shareholder entered into by the Company or any of its subsidiaries since the end of the previous financial year.

There was no such contract subsisted at the end of the financial year under review.

**INTERESTED PERSON TRANSACTIONS**
**- Listing Manual Rule 907**

To ensure compliance with Chapter 9 of the SGX-ST Listing Manual, the ARMC, as well as the Board, review if the Company will be entering into any interested person transactions. If the Company intends to enter into an interested person transaction, the ARMC and the Board will ensure that the transaction is carried out fairly and at arm's length based on normal commercial terms and will not be prejudicial to the interest of the Company and its non-controlling shareholders.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual. Disclosure of interested person transactions is set out on pages 178 and 179 of this Annual Report. There was no interested person transactions entered into by the Group in excess of $100,000 during the financial year under review.

**APPENDIX –**

**BOARD COMMITTEES' DUTIES AND RESPONSIBILITIES**

**AUDIT & RISK MANAGEMENT COMMITTEE**

- Review financial statements and formal announcements relating to financial performance, as well as discuss major risk areas and significant financial reporting issues and judgements contained in them, for better assurance of the integrity of such statements and announcements before submission for Board approval.
- Review and report to the Board annually on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management system.
- Review the assurance from the CEO and the Finance Director on the financial records and financial statements.
- Review the external auditors' proposed audit scope and approach and ensure that no unjustified restrictions or limitations have been placed on the scope.
- Review the adequacy, effectiveness and the results of the external audit, and where external auditors provide non-audit services, to review the nature, extent and cost of such services and the independence and objectivity of the external auditors.
- Review the internal audit programme with regard to the complementary roles of the external and internal audit functions.
- Review the adequacy, effectiveness, independence, scope and results of the internal audit procedures.
- Receive reports from the external and internal auditors and ensure that the significant findings and recommendations are discussed and addressed on a timely basis.
- Meet with external auditors and internal auditors, without the presence of management, at least annually, to discuss any problems and concerns.
- Review the co-operation given by the Group and its management to the external and internal auditors.
- Make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors and approve the remuneration and terms of engagement of the external auditors.
- Approve the hiring, removal, evaluation and compensation of the outsourced internal audit function.
- Review the policy and arrangements by which employees and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken.
- To review any potential conflicts of interest that may arise in respect of any directors and/or controlling shareholders of the Company for the time being.
- Review and recommend for the Board's approval all interested person transactions, as specified under Chapter 9 of the Listing Manual of SGX-ST, to ensure that the transactions have been conducted on normal commercial terms and are not prejudicial to the interests of the Company and its non-controlling shareholders.
- Receive recommendations on risk tolerance and strategy from management, and where appropriate, report and recommend to the Board for its determination of the nature and extent of significant risks which the Group overall may take in achieving its strategic objectives and the Group's overall levels of risk tolerance and risk policies.
- Review and discuss, as and when appropriate, with management on the Group's risk governance structure and its risk policies and risk mitigation and monitoring processes and procedures.
- Receive and review reports from management on major risk exposures and the steps taken to monitor, control and mitigate such risks.
- Review the Group's capability to identify and manage new risk types.
- Review and monitor the Group's approach to ensure compliance with the regulatory commitments, including progress of remedial actions where appropriate.
- Provide timely input to the Board on critical risk and compliance issues, material matters, findings and recommendations.
- Investigate any matters within the Audit & Risk Management Committee's purview, whenever it deems necessary.
- Perform such other functions as the Board may determine.

# Corporate Governance Report

**BOARD COMMITTEES' DUTIES AND RESPONSIBILITIES** (continued)

**NOMINATING COMMITTEE**

- Review the nominations and recommend to the Board the new appointment and re-appointment of directors.
- Annual review of balance and diversity of skills, experience, gender and knowledge required by the Board, and determine the suitable size of the Board which would facilitate decision-making after taking into consideration the scope and nature of the operations of the Group and recommend adjustments that are deemed necessary to the Board.
- Annual review of the independence of each director and to ensure that the Board comprises at least one-third independent directors.
- Where a director has multiple listed company board representations and/or other principal commitments, to decide whether the director is able to and has been adequately carrying out his/her duties as director of the Company.
- Recommend to the Board the process for the evaluation of the performance of the Board, the Board Committees and individual directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole, as well as the contribution of each individual director.
- Annual assessment of the effectiveness of the Board as a whole and of the individual directors.
- Review and make recommendations to the Board on relevant matters relating to the succession plans of the Board (in particular, the Chairman and CEO) and key management personnel.
- Review the training and professional development programmes for board members.
- Perform such other functions as the Board may determine.

**REMUNERATION COMMITTEE**

- Review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each director (executive and independent), as well as for the key management personnel.
- Review the on-going appropriateness and relevance of the remuneration policies.
- Review the Group's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous.
- Perform such other functions as the Board may determine.

Save that a member of this Committee shall not be involved in the deliberations in respect of any remuneration, compensation, award of shares or any form of benefits to be granted to him/her.



# Risk Management

Risk management forms an integral part of business management. The Group's risk and control framework is designed to provide reasonable assurance that business objectives are met by embedding management control into daily operations to achieve efficiency, effectiveness and safeguard of assets, ensuring compliance with legal and regulatory requirements, and ensuring the integrity of the Group's financial reporting and its related disclosures. It makes management responsible for the identification of critical business risks and the development and implementation of appropriate risk management procedures to address these risks. The risk management and control procedures are reviewed and updated regularly to reflect changes in market conditions and the activities of the Group.

The Group takes a balanced approach to risk management, recognising that not all risks can be eliminated. To optimise returns for the Group, it will only undertake appropriate and well-considered risks.

The Group's risk management process consists of identification, assessment, formulation of mitigation measures, communication and implementation, and monitoring and reviewing. The process takes into consideration both the impact and likelihood of the risks identified.


| IDENTIFY | ASSESS | MITIGATE | IMPLEMENT | MONITOR |
|---|---|---|---|---|
| Identify the risks and opportunities that may impede or expedite our ability to achieve our ignite strategic objectives. | Prioritise our risks according to a consistent set of definitions, considering both the impact and the likelihood of occurrence, allowing us to focus on our mitigation plans. | Take action to address the risks we face either to control the likelihood of the risks crystallising or mitigate the impact if they do and bring our risk profile in line with the Board's risk appetite. | Communicate and deliver on-going support for the implementation of the necessary action plans. | Maintain an up-to-date assessment of risks and ensure that mitigating actions are taken in a timely way. |

# Risk Management

The following set out an overview of the key risks faced by Qian Hu, the nature and the extent of the Group's exposure to these risks and the mitigating actions in place that we believe could help in managing these risks. In the year under review, the Group's risk appetite and risk profile remains broadly unchanged. We are satisfied that there were no risks that could affect the ability of the Group to continue as a going concern in the next twelve months.

## BUSINESS AND STRATEGY RISKS

Business and strategy risks refer to factors affecting businesses such as customer demand, revenue attainment, macroeconomic conditions, competition and regulatory environment. They are normally managed by the respective divisions and subsidiaries within the Group in their pursuit of growth and meeting earnings target.

| DESCRIPTION OF RISKS WE FACE | WHAT WE DO TO MITIGATE THE RISKS |
|---|---|
| **Strategy and investment risk**<br>• The Group grows businesses through organic growth of its existing activities, development of new capabilities and through new ventures with business partners. It is exposed to risks associated with its expansion plans, including the financial burden of setting up new businesses and dealing with unfamiliar rules and regulations in foreign jurisdictions.<br>• The investment timeframe and the budgets for such expansion plans may be exceeded and that the parameters set will not be achieved. | • Business proposals and investment activities are evaluated through the performance of due diligence exercise and where necessary, supported by external professional advice, to ensure that they are in line with the Group's strategic focus and that they meet the relevant rate of financial returns, taking into consideration other relevant risk factors.<br>• All business proposals are reviewed by the senior management before obtaining final Board approval.<br>• Investments are monitored to ensure that they are on track in meeting the Group's strategic intent, investment objectives and returns. |
| **Market and political risk**<br>• The Group currently operates in five countries with assets and activities spreading mainly across the Asia Pacific. The subsidiaries in these countries are exposed to changes in government policies and regulations, as well as unfavourable political developments, which may limit the realisation of business opportunities and investments in those countries.<br>• The Group's business operations are exposed to economic uncertainties that continue to affect the global economy and international capital markets. | • Consistently keep updated on the potential changes in political, economic and industrial developments so as to be able to anticipate and/or respond to any adverse changes in market conditions in a timely manner.<br>• As at 31 December 2024, approximately 36% of the Group's assets are located overseas, while revenue from its overseas' customers constitute approximately 64% of the total revenue in FY 2024. As the Group currently exports to more than 80 cities and countries, the effect of greater geographical diversification reduces the risk of concentration in a single market. |
| **Regulatory risk**<br>• The Group's operations are subject to changes in prevailing laws and regulations in countries where it operates, particularly in areas of corporate law, environment law, and possible local government interventions impacting the industry. | • Maintain close working relationships with respective local authorities and business partners so as to keep abreast with any changes and/or material regulatory development.<br>• All necessary certificates and licences are obtained and renewed on a timely basis in accordance with applicable laws and regulations. |



| DESCRIPTION OF RISKS WE FACE | WHAT WE DO TO MITIGATE THE RISKS |
|---|---|
| **Competition risk**<br>• With increasing competition, the Group may possibly lose its competitive edge due to new market entrants or with the growth of existing competitors as well as the emerging of new and better receptive products. | • Strive to strengthen competitiveness through product differentiation, market positioning, and leveraging on brand while consistently monitoring and responding to market dynamics.<br>• Conscientious efforts are made in attaining high quality products and services while sustaining operational efficiency to improve its competitiveness, productivity and profitability.<br>• Invest perpetually in research and development activities to develop more innovative accessories products with in-house proprietary technology to enhance market competitiveness. |
| **Reputation risk**<br>• The Group may face negative publicity or diminution in public confidence if there are mishandling of transactions or events. | • Instilled an open communication programme to ensure timely and effective communication of information with its key stakeholders.<br>• Investor relations policy in place and reputation associated with its investor relations efforts to further strengthen its communication with stakeholders.<br>• Clear corporate mission statements and guiding principles are in place and communicated to all employees within the Group to uphold the reputation of the Group. |
| **Business continuity risk**<br>• The Group may encounter unforeseen circumstances, including internal and external threats, which can prevent the continuation of its business operations such as during crisis or disasters. | • Focus on refining its business continuity management, including the setting up of an operational prevention and recovery framework, to ensure that it can continue to maintain its competitive advantage, maximise value for stakeholders, as well as minimise any disruptions to its critical business activities, supply chain, people and assets.<br>• Crisis management and communication procedures are in place and refined constantly to allow for prompt responses and expedite recovery so as to enhance the resilience of the Group to potential business interruptions and to safeguard critical business functions from major risks, and to be able to respond to the evolving situation with proactive implementing measures to mitigate the impact. |

# Risk Management

## OPERATIONAL RISKS

Operational risks refer to persons, processes, products, information technology and practices in the business activities which may not operate as designed or planned.

| DESCRIPTION OF RISKS WE FACE | WHAT WE DO TO MITIGATE THE RISKS |
|---|---|
| **Operational processes risk**<br>• Possible breakdown in internal process, deficiencies in people and the Management, or operational failure arising from external events may result in potential loss to the Group. | • Minimise unexpected losses and manage expected losses through a series of quality and people management programs, as well as through business continuity planning.<br>• Operating manuals, standard operating procedures and the delegation of authority matrix are in place.<br>• On-going efforts to streamline business processes and adopt ISO standards and certifications to achieve standardisation of processes and best practices.<br>• Conduct regular reviews of policies and authority limits to ensure its relevance in meeting changing business environment.<br>• Regular management team meetings held to facilitate effective communication. |
| **Product risk**<br>• Ornamental fish, like other livestock, is susceptible to disease and infection.<br>• Products and services offered by the Group may fail to meet customers' needs and expectations due to its functionality or quality, which can be damageable to the brand integrity. | • Different breeds of fishes are vulnerable to different types of diseases. While it is possible that a rare or virulent strain of bacteria or virus may infect a particular breed of fish in the farm, fatal infection across breeds at any one point in time is uncommon.<br>• Institutionalised a comprehensive health management and quarantine system for all domestic and overseas operations to ensure a consistently high standard of good health care management and hygiene for the fishes.<br>• Integrated in-house R&D team to focus on the research of breeding behaviour, product innovation technology for aquarium accessories and new form of ornamental fish farming technology to attain product differentiation and diversification, as well as to address quality issues and to shore up our resilience.<br>• Diversified in both its products and markets by selling over 1,000 species and varieties of ornamental fish and more than 3,000 kinds of accessories products to more than 80 cities and countries and are not solely reliant on the sale of any particular species of fish or type of accessories products. |



| DESCRIPTION OF RISKS WE FACE | WHAT WE DO TO MITIGATE THE RISKS |
|---|---|
| **People risk**<br>• The Group depends on the service of good personnel for business continuity. While no individual is indispensable, the loss of specialised skills and the leadership of the key management personnel, may result in business interruptions and a loss in shareholders' confidence.<br>• Succession plan execution may be a challenge given the size of the Group. | • Benchmark and review the competitiveness of remuneration packages periodically.<br>• Provide a cohesive environment to develop, nurture and retain employees.<br>• Set up a non-discriminatory reward framework linked to individual performance.<br>• Has since put in place a structured succession planning program to identify and develop a team of potential employees based on their merit. The training of a team of next-generation leaders for key positions is critical to the continuity of the business which should last beyond this generation. |
| **Climate change and environmental risk**<br>• Climate change and environmental risk is a growing concern. The recent spate of natural catastrophes and the continuing threat of future occurrences, especially in the past few years, may disrupt the Group's fish breeding/farming activities and/or logistics arrangements, resulting in economic losses. | • Embark on strategic reviews on key areas, such as infrastructure and logistics, to minimise the business impact of untoward events.<br>• Explore the feasibility of pursuing high-end aquaculture, such as bio-secured farming of selected fish species, to mitigate and manage risks relating to adverse weather conditions, and to ensure consistent supply of these fish species.<br>• Develop more proactive measures and environmental practices and continue to embrace and leverage on technology to improve processes.<br>(More details are set out on pages 50 to 55 of this Annual Report.) |

## FINANCIAL RISKS

Financial risks arise from volatility in the underlying financial market and include factors such as interest rates, foreign exchange and equity prices.

| DESCRIPTION OF RISKS WE FACE | WHAT WE DO TO MITIGATE THE RISKS |
|---|---|
| **Credit risk**<br>• The Group may suffer potential financial loss resulting from the failure of customers or counterparties to settle their financial and contractual obligations as and when they fall due. | • Standard operating procedures in place which includes the application of credit approvals, performing credit evaluations, setting credit limits and the monitoring of credit risk on a regular basis. Cash terms or advance payments are required for customers with lower credit standing.<br>• None of the Group's customers or suppliers contributes more than 5% of its revenue and purchases. It is the Group's policy to sell to a diversity of creditworthy customers to reduce concentration of credit risk.<br>• While the Group faces the normal business risks associated with ageing collections, it has adopted a prudent accounting policy of making allowances for trade receivables once they are deemed not collectible. Major collectible issues are highlighted to all concerned. |

# Risk Management

| DESCRIPTION OF RISKS WE FACE | WHAT WE DO TO MITIGATE THE RISKS |
|---|---|
| **Interest rate risk**<br>• The Group is exposed to interest rate fluctuations from external borrowings. | • Monitor interest rate trends on an on-going basis with the objective of limiting the extent to which the Group's results could be affected by an adverse movement in interest rate.<br>• Cash balances are placed with reputable banks and financial institutions. For financing obtained through bank borrowings and finance lease arrangements, the Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. |
| **Liquidity risk**<br>• Renewal or additional financing made available to the Group on favourable terms is subject to prevailing global and local economic conditions, credit and capital market sentiments. | • Monitor working capital requirements and maintain a level of cash and cash equivalents deemed adequate to mitigate the effects of fluctuations in cash flows, as well as to ensure that the Group has sufficient funds to meet its contractual and financial obligations as and when they fall due.<br>• Cash flow projections and available bank facilities are reviewed regularly to ensure efficient management of liquidity position.<br>• Enhance ability to generate cash from operating activities so as to improve the Group's cash position. |
| **Foreign exchange risk**<br>• The foreign exchange risk of the Group arises from sales, purchases and borrowings that are denominated in currencies other than Singapore dollars.<br>• Exchange gain or loss may also arise when the assets and liabilities in foreign currencies are translated into Singapore dollars for financial reporting purposes. | • Continuous monitoring of the exchange rates of major currencies and may enter into hedging contracts with banks from time to time whenever the Management detects any movements in the respective exchange rates which may impact the Group's profitability.<br>• Natural hedging is used extensively, including the matching of sales and purchases of the same currency and amount where practicable.<br>• Foreign currencies received are kept in foreign currencies bank accounts which are converted to the respective measurement currencies of the Group's companies on a need-to basis so as to minimise foreign exchange exposure.<br>• Currency translation risk (especially for reporting purposes), which is inherent for operations outside Singapore, is non-cash in nature and therefore not hedged. |
| **Capital structure risk**<br>• The capital structure of the Group consists of loans and borrowings, issued share capital and accumulated profits.<br>• Insufficient capital structure may impact the Group's ability to provide appropriate returns to the shareholders. | • Regular review is performed to ensure optimal capital structure taking into consideration future capital requirements and capital efficiency, prevailing operating cash flow and profitability, as well as projected capital expenditure of the Group.<br>• The Group may issue new shares, obtain new bank borrowings, sell its assets to reduce external borrowings, adjust the amount of dividend pay-out or return a portion of capital to its shareholders in order to maintain or achieve an optimal capital structure. |



| DESCRIPTION OF RISKS WE FACE | WHAT WE DO TO MITIGATE THE RISKS |
|---|---|
| **Financial management risk**<br>• Rely on self- assessment, review and reporting process to ensure that transactions are carried out in conformity with accounting standards and the Group's accounting policies and that the internal controls over financial reporting are adequate and effective.<br>• The system may not prevent or detect all frauds or misstatements in a timely manner, especially with changes in conditions and operations which may cause the system effectiveness to vary from time to time. | • Formalise operating manuals and standard operating procedures.<br>• Internal controls over financial reporting are reviewed regularly to ensure proper financial discipline and compliance with established Group's policies and guidelines, which are embedded within the corporate governance structure.<br>• External and internal audit reviews carried out annually on the controls and procedures in place also serves as a platform to highlight any irregularities. |
| **Derivative financial instrument risk**<br>• Market conditions may move against the Group's assumptions at the time of hedging the transactions. | • The Group does not hold or issue derivative financial instruments for trading purposes. |

## COMPLIANCE RISKS

Compliance risks are the current and prospective risks arising from violation of, or non-conformance with laws, rules, regulations, or ethical standards.

| DESCRIPTION OF RISKS WE FACE | WHAT WE DO TO MITIGATE THE RISKS |
|---|---|
| **Compliance risk**<br>• As a listed company incorporated in Singapore with overseas subsidiaries in various countries, the Group is obligated to comply with all the local statutory and regulatory requirements, such as the Singapore Exchange Listing Manual requirements and the Companies Act, etc. Nonetheless, the rapid changes in laws and regulations and practices in different jurisdictions has made compliance more complicated.<br>• Fraud or deliberate wrongful act committed within the Group may result in financial loss. | • Implement effective compliance frameworks, which include putting in place the relevant internal controls processes, policies and procedures, delegation of authority matrix, risk management initiatives and corporate governance practices to minimise the level of lapses.<br>• Establish internal guidelines (Code of Business Ethics and Conduct) and anti-corruption polices have been defined and put into practice for which employees are accountable for compliance.<br>• Align our policies and procedures as reasonable and practical with the requirements of best practice accredited framework, systems and industry standards.<br>• A whistle blowing policy and well-defined communication channels are in place. |

# Risk Management

| DESCRIPTION OF RISKS WE FACE | WHAT WE DO TO MITIGATE THE RISKS |
|---|---|
| **Data protection and privacy risk**<br>• Data privacy breaches may undermine customer confidence and result in litigation from customers and/or regulatory fines and penalties. | • Ensure compliance with applicable data protection laws and perform regular reviews to refine practices.<br>• Implement security policies, procedures, technologies and tools designed to minimise the risk of privacy breaches.<br>(For more information on the management of personal data, please refer to the data privacy policy on the Qian Hu website)<br>• Conduct awareness training to ensure that employees who handle personal data in the course of their work are mindful of data protection principles and are equipped with the right knowledge to carry out good protection practices in their day-to-day activities.<br>• Establish an escalation process for incident management to ensure timely response, internally or externally, to minimise impact. |

## INFORMATION TECHNOLOGY RISKS

Information technology (IT) risks include hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as fire, storms or floods.

| DESCRIPTION OF RISKS WE FACE | WHAT WE DO TO MITIGATE THE RISKS |
|---|---|
| **Cyber security risk**<br>• The Group is imperiled to a full range risk, presented in various forms, associated with its IT system, including disruptions to the network.<br>• Increasing global incidence of cyber-attacks on company servers and websites demonstrates the need to reinforce and tighten the security of the Group's IT systems and avoid breach.<br>• Cyber-attacks can disrupt operations and the resulted cyber thefts of sensitive and confidential information could lead to litigations and financial losses. | • Adopt necessary and up-to-date IT controls and governance practices, including the strengthening of network security such as updating security patches to the system and encrypting workstations.<br>• Put in place appropriate measures to safeguard against loss of information, data security, as well as to ensure the continuity of the Group's business activities and its prompt recovery from an IT crisis.<br>• Conduct regular training for users to educate and heighten awareness of cyber threats. |



# Index to Financial Statements

# Directors' Statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2024.

In our opinion:

(a) the financial statements set out on pages 128 to 194 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance and changes in equity of the Group and the Company, and the cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

**Directors**

The directors in office at the date of this statement are as follows:

Yap Kok Cheng
Soong Wee Choo
Ling Kai Huat
Chew Mok Lee (Appointed on 1 April 2024)

**Directors' interests**

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the 'Act'), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

| | Holdings in the name of the director | | | Holdings in which the director is deemed to have an interest | | |
|---|---|---|---|---|---|---|
| | 1/1/2024 | 31/12/2024 | 14/1/2025 | 1/1/2024 | 31/12/2024 | 14/1/2025 |
| **The Company** | | | | | | |
| **Ordinary shares** | | | | | | |
| Yap Kok Cheng | – | – | – | 75,250 | 75,250 | 75,250 |

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

The Singapore Exchange ("SGX") Listing Manual requires a company to provide a statement as at the 21st day after the end of the financial year, showing the direct and deemed interests of each director of the Company in the share capital of the Company. As the Directors' Statement of the Company is dated 15 January 2025, the Company is unable to comply with the 21 days' requirement. However, for the purpose of best practice, the Company has disclosed the direct and deemed interests of each director of the Company at the last business trading day before the date of the Directors' Statement.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

As at the end of the financial year, no options or warrants to take up unissued shares of the Company or its subsidiaries were granted and no shares were issued by virtue of the exercise of options or warrants to take up unissued shares of the Company or its subsidiaries.

No warrants or options to take up unissued shares of the Company or its subsidiaries were outstanding as at the end of the financial year.



**Audit & Risk Management Committee**

At the date of this statement, the Audit & Risk Management Committee comprises the following members, all of whom are non-executive and independent:

- Soong Wee Choo (Chairman of the Audit & Risk Management Committee)
- Ling Kai Huat
- Chew Mok Lee

The Audit & Risk Management Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit & Risk Management Committee has held three meetings since the last Directors' Statement. In performing its functions, the Audit & Risk Management Committee met with the Company's external auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit & Risk Management Committee also reviewed the following:

- assistance provided by the Company's officers to the external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit & Risk Management Committee ("ARMC") has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The ARMC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

In determining the independence of KPMG LLP, the ARMC reviewed all aspects of their relationships with them including the processes, policies and safeguards adopted by the Group and KPMG LLP relating to audit independence. The ARMC also considered the nature and volume of the provision of the non-audit services in 2024 and the corresponding fees.

The significant increase in the non-audit fees arose primarily from the advisory services provided in connection with the Group's Environmental, Social and Governance ("ESG") reporting roadmap and compliance with SGX reporting requirements. The ARMC noted that these were not prohibited services and do not pose a threat to the external auditors' independence, and safeguards had been put in place by KPMG to ensure that the independence of the audit team is not impaired. The ARMC is thus of the opinion that such non-audit fees did not impair or threaten the audit independence. Based on the review, the ARMC is of the opinion that KPMG is, and is perceived to be, independent for the purpose of the Group's statutory financial audit.

The ARMC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

# Directors' Statement (Cont'd)

**Auditors**

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

**Yap Kok Cheng**
*Director*

**Soong Wee Choo**
*Director*

15 January 2025

# Independent Auditors' Report

Members of the Company
Qian Hu Corporation Limited

**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of Qian Hu Corporation Limited (the 'Company') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of profit or loss, statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 128 to 194.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of profit or loss, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and the financial performance and changes in equity of the Company for the year ended on that date.

*Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory *Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

*Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Directors' Statement prior to the date of this auditors' report. The other information except for the Directors' Statement in the Annual Report ("the Report") are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

# Independent Auditors' Report (Cont'd)

*Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Tan Khai Boon.

**KPMG LLP**
*Public Accountants and*
*Chartered Accountants*

**Singapore**
15 January 2025

# Statements of Financial Position

As at 31 December 2024

| | Note | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Property, plant and equipment | 4 | 8,601,905 | 8,602,010 | 2,545,205 | 3,036,543 |
| Biological assets | 5 | 119,250 | 132,750 | 119,250 | 132,750 |
| Intangible assets | 6 | 6,541,403 | 6,664,872 | 2,493,022 | 2,615,022 |
| Subsidiaries | 7 | – | – | 3,627,287 | 3,524,387 |
| Trade and other receivables | 9 | – | – | 5,661,492 | 4,850,220 |
| **Non-current assets** | | 15,262,558 | 15,399,632 | 14,446,256 | 14,158,922 |
| Biological assets | 5 | 41,753 | – | – | – |
| Financial asset at fair value through profit or loss ("FVTPL") | 8 | 1,451,687 | 1,379,181 | 1,451,687 | 1,379,181 |
| Inventories | 10 | 11,847,481 | 12,239,635 | 4,919,999 | 4,716,185 |
| Trade and other receivables | 9 | 14,814,386 | 14,368,173 | 15,704,658 | 16,931,561 |
| Cash and cash equivalents | 11 | 14,631,327 | 15,546,221 | 7,720,877 | 8,168,917 |
| **Current assets** | | 42,786,634 | 43,533,210 | 29,797,221 | 31,195,844 |
| **Total assets** | | 58,049,192 | 58,932,842 | 44,243,477 | 45,354,766 |
| **Equity** | | | | | |
| Share capital | 12 | 30,772,788 | 30,772,788 | 30,772,788 | 30,772,788 |
| Reserves | 13 | 9,004,932 | 8,720,552 | 606,550 | 897,582 |
| **Equity attributable to owners of the Company** | | 39,777,720 | 39,493,340 | 31,379,338 | 31,670,370 |
| Non-controlling interests | | 2,265,499 | 2,238,288 | – | – |
| **Total equity** | | 42,043,219 | 41,731,628 | 31,379,338 | 31,670,370 |
| **Liabilities** | | | | | |
| Loans and borrowings | 14 | 526,818 | 1,562,395 | 105,712 | 216,920 |
| Deferred tax liabilities | 15 | 37,200 | 47,936 | – | – |
| **Non-current liabilities** | | 564,018 | 1,610,331 | 105,712 | 216,920 |
| Loans and borrowings | 14 | 5,910,712 | 6,387,150 | 4,639,011 | 5,125,682 |
| Trade and other payables | 16 | 9,125,336 | 8,855,519 | 7,911,959 | 8,134,337 |
| Current tax payable | | 405,907 | 348,214 | 207,457 | 207,457 |
| **Current liabilities** | | 15,441,955 | 15,590,883 | 12,758,427 | 13,467,476 |
| **Total liabilities** | | 16,005,973 | 17,201,214 | 12,864,139 | 13,684,396 |
| **Total equity and liabilities** | | 58,049,192 | 58,932,842 | 44,243,477 | 45,354,766 |

*The accompanying notes form an integral part of these financial statements.*



# Statements of Profit or Loss

Year ended 31 December 2024

| | Note | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|---|
| Revenue | 17 | 71,417,783 | 70,313,787 | 35,687,024 | 38,504,267 |
| Cost of sales | | (46,099,839) | (46,748,038) | (24,433,147) | (27,366,694) |
| **Gross profit** | | 25,317,944 | 23,565,749 | 11,253,877 | 11,137,573 |
| Other income | | 3,065,642 | 3,544,255 | 3,756,417 | 4,303,114 |
| Other expenses | | – | (7,391,199) | – | (7,391,199) |
| Selling and distribution expenses | | (2,665,294) | (2,553,603) | (762,016) | (962,806) |
| General and administrative expenses | | (24,728,330) | (25,669,560) | (13,913,306) | (14,209,330) |
| Impairment loss on trade receivables | | (183,687) | (154,010) | (147,306) | (170,036) |
| **Results from operating activities** | | 806,275 | (8,658,368) | 187,666 | (7,292,684) |
| Finance income | | 168,976 | 140,680 | 125,038 | 67,031 |
| Finance costs | | (354,779) | (451,051) | (239,937) | (348,208) |
| **Net finance costs** | 18 | (185,803) | (310,371) | (114,899) | (281,177) |
| **Profit (Loss) before tax** | 19 | 620,472 | (8,968,739) | 72,767 | (7,573,861) |
| Tax expense | 20 | (203,760) | (157,546) | (23,220) | (27,348) |
| **Profit (Loss) for the year** | | 416,712 | (9,126,285) | 49,547 | (7,601,209) |
| **Profit (Loss) attributable to:** | | | | | |
| Owners of the Company | | 356,656 | (9,276,853) | 49,547 | (7,601,209) |
| Non-controlling interests | | 60,056 | 150,568 | – | – |
| **Profit (Loss) for the year** | | 416,712 | (9,126,285) | 49,547 | (7,601,209) |

| | Note | Group 2024 | Group 2023 |
|---|---|---|---|
| **Earnings (Loss) per share (cents)** | 22 | | |
| Basic | | 0.31 | (8.17) |
| Diluted | | 0.31 | (8.17) |

*The accompanying notes form an integral part of these financial statements.*

# Statements of Comprehensive Income

Year ended 31 December 2024

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| **Profit (Loss) for the year** | 416,712 | (9,126,285) | 49,547 | (7,601,209) |
| **Other comprehensive income** | | | | |
| **Items that are or may be reclassified subsequently to profit or loss:** | | | | |
| Foreign currency translation differences – foreign operations, net of tax | 350,958 | (167,461) | – | 815 |
| **Other comprehensive income for the year, net of tax** | 350,958 | (167,461) | – | 815 |
| **Total comprehensive income for the year** | 767,670 | (9,293,746) | 49,547 | (7,600,394) |
| **Total comprehensive income attributable to:** | | | | |
| Owners of the Company | 624,959 | (9,421,085) | 49,547 | (7,600,394) |
| Non-controlling interests | 142,711 | 127,339 | – | – |
| **Total comprehensive income for the year** | 767,670 | (9,293,746) | 49,547 | (7,600,394) |

*The accompanying notes form an integral part of these financial statements.*



# Statements of Changes in Equity

Year ended 31 December 2024

| | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | Share capital $ | Translation reserve $ | Retained earnings $ | Total $ | Non-controlling interests $ | Total equity $ |
| **Group** | | | | | | |
| **At 1 January 2023** | 30,772,788 | (512,945) | 18,995,161 | 49,255,004 | 2,295,749 | 51,550,753 |
| **Total comprehensive income for the year** | | | | | | |
| (Loss) Profit for the year | – | – | (9,276,853) | (9,276,853) | 150,568 | (9,126,285) |
| **Other comprehensive income** | | | | | | |
| Foreign currency translation differences – foreign operations, net of tax | – | (144,232) | – | (144,232) | (23,229) | (167,461) |
| **Total other comprehensive income** | – | (144,232) | – | (144,232) | (23,229) | (167,461) |
| **Total comprehensive income for the year** | – | (144,232) | (9,276,853) | (9,421,085) | 127,339 | (9,293,746) |
| **Transactions with owners of the Company, recognised directly in equity** | | | | | | |
| ***Distributions to owners*** | | | | | | |
| Dividends paid (See Note 23) | – | – | (340,579) | (340,579) | (184,800) | (525,379) |
| **Total transactions with owners of the Company** | – | – | (340,579) | (340,579) | (184,800) | (525,379) |
| **At 31 December 2023** | 30,772,788 | (657,177) | 9,377,729 | 39,493,340 | 2,238,288 | 41,731,628 |

*The accompanying notes form an integral part of these financial statements.*

# Statements of Changes in Equity (Cont'd)

Year ended 31 December 2024

| Group | Share capital $ | Translation reserve $ | Retained earnings $ | Total $ | Non-controlling interests $ | Total equity $ |
|---|---|---|---|---|---|---|
| | Attributable to owners of the Company | | | | | |
| **At 1 January 2024** | 30,772,788 | (657,177) | 9,377,729 | 39,493,340 | 2,238,288 | 41,731,628 |
| **Total comprehensive income for the year** | | | | | | |
| Profit for the year | – | – | 356,656 | 356,656 | 60,056 | 416,712 |
| **Other comprehensive income** | | | | | | |
| Foreign currency translation differences – foreign operations, net of tax | – | 268,303 | – | 268,303 | 82,655 | 350,958 |
| **Total other comprehensive income** | – | 268,303 | – | 268,303 | 82,655 | 350,958 |
| **Total comprehensive income for the year** | – | 268,303 | 356,656 | 624,959 | 142,711 | 767,670 |
| **Transactions with owners of the Company, recognised directly in equity** | | | | | | |
| ***Distributions to owners*** | | | | | | |
| Dividends paid (See Note 23) | – | – | (340,579) | (340,579) | (159,600) | (500,179) |
| **Total distribution to owners** | – | – | (340,579) | (340,579) | (159,600) | (500,179) |
| ***Changes in ownership interests*** | | | | | | |
| Incorporation of subsidiary with non-controlling interest | – | – | – | – | 44,100 | 44,100 |
| **Total changes in ownership interests** | – | – | – | – | 44,100 | 44,100 |
| **Total transactions with owners of the Company** | – | – | (340,579) | (340,579) | (115,500) | (456,079) |
| **At 31 December 2024** | 30,772,788 | (388,874) | 9,393,806 | 39,777,720 | 2,265,499 | 42,043,219 |

*The accompanying notes form an integral part of these financial statements.*



| Company | Share capital $ | Translation reserve $ | Retained earnings $ | Total equity $ |
|---|---|---|---|---|
| **At 1 January 2023** | 30,772,788 | 88,737 | 8,749,818 | 39,611,343 |
| **Total comprehensive income for the year** | | | | |
| Loss for the year | – | – | (7,601,209) | (7,601,209) |
| **Other comprehensive income** | | | | |
| Foreign currency translation differences – foreign operations, net of tax | – | 815 | – | 815 |
| **Total other comprehensive income** | – | 815 | – | 815 |
| **Total comprehensive income for the year** | – | 815 | (7,601,209) | (7,600,394) |
| **Transactions with owners of the Company, recognised directly in equity** | | | | |
| ***Distributions to owners*** | | | | |
| Dividends paid (See Note 23) | – | – | (340,579) | (340,579) |
| **Total transactions with owners of the Company** | – | – | (340,579) | (340,579) |
| **At 31 December 2023** | 30,772,788 | 89,552 | 808,030 | 31,670,370 |
| **Total comprehensive income for the year** | | | | |
| Profit for the year | – | – | 49,547 | 49,547 |
| **Other comprehensive income** | | | | |
| Foreign currency translation differences – foreign operations, net of tax | – | – | – | – |
| **Total other comprehensive income** | – | – | – | – |
| **Total comprehensive income for the year** | – | – | 49,547 | 49,547 |
| **Transactions with owners of the Company, recognised directly in equity** | | | | |
| ***Distributions to owners*** | | | | |
| Dividends paid (See Note 23) | – | – | (340,579) | (340,579) |
| **Total transactions with owners of the Company** | – | – | (340,579) | (340,579) |
| **At 31 December 2024** | 30,772,788 | 89,552 | 516,998 | 31,379,338 |

*The accompanying notes form an integral part of these financial statements.*

# Consolidated Statement of Cash Flows

Year ended 31 December 2024

| | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit (Loss) before tax | | 620,472 | (8,968,739) |
| | | | |
| Adjustments for: | | | |
| Amortisation of intangible assets | | 123,672 | 123,316 |
| Bad trade receivables written off | | 9,752 | 49,390 |
| Impairment loss on trade receivables | | 183,687 | 154,010 |
| Allowance for inventory obsolescence | | – | 1,517,783 |
| Depreciation of | | | |
| - property, plant and equipment | | 2,947,571 | 2,747,322 |
| - biological assets | | 13,500 | 144,817 |
| Property, plant and equipment written off | | 55,122 | 364 |
| Gain on disposal of property, plant and equipment | | (6,490) | (44,254) |
| Loss on biological assets | | – | 7,391,199 |
| Net change in fair value of | | | |
| - biological assets | | (16,554) | – |
| - financial asset at FVTPL | | (72,506) | (329,521) |
| Gain on derecognition of right-of-use assets and lease liabilities | | (3,128) | (12,703) |
| Finance costs | | 354,779 | 451,051 |
| Finance income | | (168,976) | (140,680) |
| | | 4,040,901 | 3,083,355 |
| Changes in: | | | |
| Inventories | | 356,329 | 1,770,994 |
| Breeder stocks | | (25,199) | 183,090 |
| Trade and other receivables | | (482,194) | (771,761) |
| Trade and other payables | | 303,021 | (614,219) |
| Cash generated from operations | | 4,192,858 | 3,651,459 |
| Tax paid | | (163,411) | (296,012) |
| **Net cash from operating activities** | | 4,029,447 | 3,355,447 |
| | | | |
| **Cash flows from investing activities** | | | |
| Acquisition of | | | |
| - property, plant and equipment | | (2,489,592) | (692,016) |
| - intangible assets | | – | (4,736) |
| Deposit for purchase of property, plant and equipment | | – | (849,680) |
| Interest received | | 168,976 | 140,680 |
| Proceeds from disposal of property, plant and equipment | | 6,495 | 109,960 |
| **Net cash used in investing activities** | | (2,314,121) | (1,295,792) |

*The accompanying notes form an integral part of these financial statements.*



| | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Dividends paid to | | | |
| - owners of the Company | | (340,579) | (340,579) |
| - non-controlling interests | | (159,600) | (184,800) |
| Interest paid | | (355,370) | (464,505) |
| Repayment of | | | |
| - lease liabilities | | (1,476,533) | (1,337,293) |
| - bank term loans | | (500,000) | (4,000,000) |
| Capital contribution from non-controlling interest | | 44,100 | – |
| **Net cash used in financing activities** | | (2,787,982) | (6,327,177) |
| | | | |
| **Net decrease in cash and cash equivalents** | | (1,072,656) | (4,267,522) |
| Cash and cash equivalents at beginning of year | | 15,546,221 | 20,116,838 |
| Effect of exchange rate fluctuations on cash held | | 157,762 | (303,095) |
| **Cash and cash equivalents at end of year** | 11 | 14,631,327 | 15,546,221 |

*The accompanying notes form an integral part of these financial statements.*

# Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 January 2025.

## 1 Domicile and activities

Qian Hu Corporation Limited (the Company) is incorporated in the Republic of Singapore. The address of the Company's registered office is 71 Jalan Lekar, Singapore 698950.

The financial statements of the Group as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 December 2024 do not include other entities.

The principal activities of the Company are those relating to import, export, farming, breeding and distribution of ornamental fish, aquaculture products and aquarium and pet accessories. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

## 2 Basis of preparation

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)s). The changes to material accounting policies are described in Note 2.5.

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

### 2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

### 2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following note:

- Note 9 – measurement of expected credit loss (ECL) allowance for trade and other receivables: key assumptions in determining the weighted-average loss rate.
- Note 10 – allowance for inventory obsolescence

***Measurement of fair values***

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, financial and non-financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team led by the Finance Director that has overall responsibility for all significant fair value measurements, including Level 3 fair values.



### 2.4 Use of estimates and judgements (continued)

***Measurement of fair values*** **(continued)**

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I)s, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – Biological assets
- Note 27 – Measurement of fair values

### 2.5 Changes in material accounting policies

**New accounting standards and amendments**

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2024:

- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current and* Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7 *Supplier Finance Arrangements*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

## 3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

### 3.1 Basis of consolidation

***Business combinations***

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substance process and whether the acquired set has the ability to produce outputs.

# Notes to the Financial Statements (Cont'd)

**3.1 Basis of consolidation (continued)**

***Business combinations* (continued)**

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest (NCI) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

***Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.



**3.1 Basis of consolidation (continued)**

***Loss of control***

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income or expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

***Subsidiaries in the separate financial statements***

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any accumulated impairment losses.

**3.2 Foreign currency**

***Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

***Foreign operations***

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI and are presented in the translation reserve in equity.

# Notes to the Financial Statements (Cont'd)

**3.3 Financial instruments**

**(a) Recognition and initial measurement**

**Non-derivative financial assets and financial liabilities**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**(b) Classification and subsequent measurement**

**Non-derivative financial assets**

On initial recognition, a financial asset is classified as measured at amortised cost and FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

***Financial assets at amortised cost***

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

***Financial assets at FVTPL***

All financial assts not classified as measured at amortised cost or FVOCI as described above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL.

***Financial assets: Business model assessment***

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.



**3.3 Financial instruments (continued)**

**(b) Classification and subsequent measurement (continued)**

**Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)**

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Group had no financial assets held outside trading business models that failed the SPPI assessment.

**Non-derivative financial assets: Subsequent measurement and gains and losses**

***Financial assets at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

***Financial assets at FVTPL***

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

**(c) Derecognition**

**Financial assets**

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

# Notes to the Financial Statements (Cont'd)

**3.3 Financial instruments (continued)**

**(c) Derecognition (continued)**

**Financial assets (continued)**

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets.

**Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**(d) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

**(f) Share capital**

***Ordinary shares***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

**(g) Intra-group financial guarantees in the separate financial statements**

Financial guarantees are financial instruments issued by the Company that requires the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Loss allowances for ECLs for financial guarantees issued are presented in the Company's statement of financial position as 'loans and borrowings'.



**3.4 Property, plant and equipment**

***Recognition and measurement***

Property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the asset to a working condition for its intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

***Subsequent costs***

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

***Depreciation***

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land and assets under construction are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

| | |
|---|---|
| Freehold buildings | 20 years |
| Leasehold land and buildings | Over the remaining lease terms |
| Leasehold improvements | Over the remaining lease terms |
| Motor vehicles | 5 – 10 years |
| Computers | 3 years |
| Furniture, fittings and office equipment | 5 – 10 years |
| Equipment and tools | 8 – 10 years |
| Machinery and equipment | 5 – 10 years |
| Electrical and installation | 8 –10 years |

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

# Notes to the Financial Statements (Cont'd)

**3.5 Intangible assets and goodwill**

***Goodwill***

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1.

*Subsequent measurement*

Goodwill is measured at cost less any accumulated impairment losses.

***Other intangible assets***

*Trademarks/Customer acquisition costs/Formulation rights*

- Trademarks rights of certain brands of pet food are estimated to have indefinite lives because based on the current market share of the trademarks, management believes there is no foreseeable limit to the period over which the trademarks are expected to generate net cash flows for the Group. Such intangible assets are tested for impairment annually as described in Note 6.
- Customer acquisition costs with finite lives are stated at cost less accumulated amortisation and any impairment losses. These costs are amortised on a straight-line basis over 3 years.
- Trademarks/Formulation rights with finite lives are stated at cost less accumulated amortisation and any impairment losses. These costs are amortised on a straight-line basis over 25 years.

The amortisation method, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

**3.6 Biological assets**

The Group is engaged in the breeding of dragon fish and raising of marble goby for trading purposes and accounts for its brooder and breeder stocks as follows:

***Brooder stocks***

Brooder stocks are parent stocks of dragon fish, held for the breeding of dragon fish. As the fair value of brooder stocks cannot be reliably measured, the brooder stocks have been stated at cost less accumulated depreciation and any impairment losses. The brooder stocks are depreciated on a straight-line basis over their estimated useful lives of 10 years.

***Breeder stocks***

Breeder stocks are the farm-raised marble goby grown to biomass ready for harvest. As at the reporting date, these stocks are measured based on their fair value with any change therein recognised in profit or loss. The fair value is determined based on the biomass volume and the size distribution of similar fishes that can be purchased from suppliers as at the reporting date.

Incident-based mortality is accounted for when there is experiences of elevated mortality or substantial mortality. The cost of incident-based mortality included in cost of sales in the profit or loss. The fair value element is adjusted through the fair value adjustment on incident-based mortality and included in net change in fair value of biological assets.

**3.7 Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



**3.7 Leases (continued)**

**As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

*Short-term leases and leases of low value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**3.8 Inventories**

Inventories comprise raw materials, work-in-progress, manufactured goods and ornamental fishes acquired from suppliers.

# Notes to the Financial Statements (Cont'd)

**3.8 Inventories (continued)**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost formula and comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Estimates of net realisable value are based on the most reliable evidence available at the statement of financial position date. These estimates take into consideration of market demand, selling price and cost directly relating to events occurring after the end of financial year to the extent that such events confirm conditions existing at the end of the financial year.

**3.9 Impairment**

**(i) Non-derivative financial assets**

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- intra-group financial guarantee contracts (FGC).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

***Simplified approach***

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

***General approach***

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.



**3.9 Impairment (continued)**

**(i) Non-derivative financial assets (continued)**

***Measurement of ECLs***

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

***Credit-impaired financial assets***

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

***Presentation of allowance for ECLs in the statement of financial position***

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of FGC less the cumulative income recognised.

***Write-off***

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**(ii) Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than biological assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

# Notes to the Financial Statements (Cont'd)

**3.9 Impairment (continued)**

**(ii) Non-financial assets (continued)**

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (groups of CGU) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3.10 Employee benefits**

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

**Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.11 Provision**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**3.12 Revenue**

**Goods and services sold**

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

**3.12 Revenue (continued)**

**Goods and services sold (continued)**

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

**3.13 Government grants**

Grants that compensate the Group for the cost of asset are deducted in arriving at the carrying amount of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as a deduction against related expense on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

**3.14 Finance income and finance costs**

The Group's finance income and finance costs include:

- interest income; and
- interest expense.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**3.15 Tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets.*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

# Notes to the Financial Statements (Cont'd)

**3.15 Tax (continued)**

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
  - is not a business combination and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

**3.16 Earnings per share**

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

**3.17 Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Chairman and Chief Executive Officer to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

**3.18 New accounting standards and interpretations not adopted**

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

**3.18 New accounting standards and interpretations not adopted (continued)**

***(i) SFRS(I) 18 Presentation and Disclosure in Financial Statements***

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to company information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as other.

***(ii) Other accounting standards***

The following amendments to SFRS(I)s are not expected to have a significant impact on the consolidated financial Statement and the Company's statement of financial position.

- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*
- Amendments to SFRS(I) 9 and SFRS(I) 7: *Classification and Measurement of Financial Instruments*
- *Annual Improvements to SFRS(I)s - Volume 11*
- SFRS(I) 19: *Subsidiaries without Public Accountability: Disclosures*
- Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*

# Notes to the Financial Statements (Cont'd)

## 4 Property, plant and equipment

| Group | Freehold land and buildings $ | Leasehold land and buildings $ | Leasehold improvements $ | Motor vehicles $ | Computers $ | Furniture, fittings and office equipment $ | Equipment and tools $ | Machinery and equipment $ | Electrical and installation $ | Construction in-progress $ | Total $ |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | | |
| At 1 January 2023 | 2,318,307 | 16,458,804 | 2,720,501 | 3,377,501 | 1,536,813 | 1,488,988 | 288,681 | 5,918,682 | 989,408 | – | 35,097,685 |
| Additions | – | 3,352,920 | 105,427 | 294,661 | 46,043 | 46,948 | 28,239 | 208,513 | 27,663 | – | 4,110,414 |
| Disposals/Write offs/Transfers | – | – | (37,917) | (142,660) | (173,992) | (106,227) | (22,075) | (76,846) | (175,911) | – | (735,628) |
| Derecognition due to expiry or early termination of lease | – | (3,866,507) | – | – | – | (2,977) | – | – | – | – | (3,869,484) |
| Translation differences on consolidation | (23,838) | (148,440) | (41,234) | (30,158) | (22,153) | (27,696) | (6,015) | (50,477) | (30,654) | – | (380,665) |
| At 31 December 2023 | 2,294,469 | 15,796,777 | 2,746,777 | 3,499,344 | 1,386,711 | 1,399,036 | 288,830 | 5,999,872 | 810,506 | – | 34,222,322 |
| Additions | 157,318 | 369,486 | 106,749 | 250,712 | 357,734 | 56,157 | 7,565 | 139,618 | 19,930 | 1,461,898 | 2,927,167 |
| Disposals/Write offs/Transfers | – | – | (234,048) | (101,769) | (65,573) | (40,519) | (133,385) | (91,800) | – | – | (667,094) |
| Derecognition due to expiry or early termination of lease | – | (129,272) | – | – | – | – | – | – | – | – | (129,272) |
| Translation differences on consolidation | 83,435 | 4,038 | 100,167 | 36,372 | 17,212 | 28,523 | 1,949 | 46,537 | 22,872 | – | 341,105 |
| At 31 December 2024 | 2,535,222 | 16,041,029 | 2,719,645 | 3,684,659 | 1,696,084 | 1,443,197 | 164,959 | 6,094,227 | 853,308 | 1,461,898 | 36,694,228 |
| **Accumulated depreciation** | | | | | | | | | | | |
| At 1 January 2023 | 1,228,943 | 12,491,224 | 2,359,147 | 2,494,702 | 1,343,744 | 1,207,536 | 257,402 | 4,528,180 | 921,823 | – | 26,832,701 |
| Depreciation charge for the year | 110,474 | 1,664,209 | 99,235 | 310,925 | 97,188 | 72,159 | 4,619 | 360,351 | 28,162 | – | 2,747,322 |
| Disposals/Write offs/Transfers | – | – | (35,749) | (90,741) | (173,780) | (102,270) | (22,075) | (74,045) | (170,898) | – | (669,558) |
| Derecognition due to expiry or early termination of lease | – | (3,019,514) | – | – | – | (2,977) | – | – | – | – | (3,022,491) |
| Translation differences on consolidation | (12,637) | (84,879) | (35,053) | (18,724) | (19,594) | (21,346) | (5,288) | (41,727) | (28,414) | – | (267,662) |
| At 31 December 2023 | 1,326,780 | 11,051,040 | 2,387,580 | 2,696,162 | 1,247,558 | 1,153,102 | 234,658 | 4,772,759 | 750,673 | – | 25,620,312 |
| Depreciation charge for the year | 77,306 | 1,818,733 | 195,703 | 297,417 | 95,596 | 63,474 | 18,049 | 356,267 | 25,026 | – | 2,947,571 |
| Disposals/Write offs/Transfers | – | – | (201,596) | (98,591) | (65,377) | (36,689) | (125,119) | (84,595) | – | – | (611,967) |
| Derecognition due to expiry or early termination of lease | – | (110,804) | – | – | – | – | – | – | – | – | (110,804) |
| Translation differences on consolidation | 48,246 | 39,423 | 31,475 | 27,082 | 15,156 | 22,362 | 1,691 | 41,358 | 20,418 | – | 247,211 |
| At 31 December 2024 | 1,452,332 | 12,798,392 | 2,413,162 | 2,922,070 | 1,292,933 | 1,202,249 | 129,279 | 5,085,789 | 796,117 | – | 28,092,323 |
| **Carrying amounts** | | | | | | | | | | | |
| At 1 January 2023 | 1,089,364 | 3,967,580 | 361,354 | 882,799 | 193,069 | 281,452 | 31,279 | 1,390,502 | 67,585 | – | 8,264,984 |
| At 31 December 2023 | 967,689 | 4,745,737 | 359,197 | 803,182 | 139,153 | 245,934 | 54,172 | 1,227,113 | 59,833 | – | 8,602,010 |
| At 31 December 2024 | 1,082,890 | 3,242,637 | 306,483 | 762,589 | 403,151 | 240,948 | 35,680 | 1,008,438 | 57,191 | 1,461,898 | 8,601,905 |

# Notes to the Financial Statements (Cont'd)

**4 Property, plant and equipment (continued)**

| | Leasehold land and buildings $ | Leasehold improvements $ | Motor vehicles $ | Computers $ | Furniture, fittings and office equipment $ | Machinery and equipment $ | Electrical and installation $ | Total $ |
|---|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | | |
| **Cost** | | | | | | | | |
| At 1 January 2023 | 10,819,603 | 682,886 | 1,861,160 | 745,110 | 561,988 | 3,489,000 | 143,603 | 18,303,350 |
| Additions | 265,921 | – | 181,015 | 20,467 | 14,899 | 42,951 | – | 525,253 |
| Disposals/Write offs/Transfers | – | (37,917) | (69,410) | (5,110) | – | (12,663) | (7,763) | (132,863) |
| Derecognition due to expiry or early termination of lease | (519,220) | – | – | – | (2,977) | – | – | (522,197) |
| Translation differences | – | (8,139) | (1,194) | – | (585) | (2,791) | – | (12,709) |
| At 31 December 2023 | 10,566,304 | 636,830 | 1,971,571 | 760,467 | 573,325 | 3,516,497 | 135,840 | 18,160,834 |
| Additions | 10,694 | 5,000 | 206,186 | 246,989 | 15,632 | 34,678 | – | 519,179 |
| Disposals/Write offs/Transfers | – | (216,285) | (31,751) | – | (15,557) | (79,010) | – | (342,603) |
| At 31 December 2024 | 10,576,998 | 425,545 | 2,146,006 | 1,007,456 | 573,400 | 3,472,165 | 135,840 | 18,337,410 |
| | | | | | | | | |
| **Accumulated depreciation** | | | | | | | | |
| At 1 January 2023 | 9,056,988 | 539,697 | 1,330,540 | 634,399 | 443,808 | 2,451,014 | 122,249 | 14,578,695 |
| Depreciation charge for the year | 448,347 | 29,892 | 204,706 | 54,144 | 33,358 | 236,676 | 3,748 | 1,010,871 |
| Disposals/Write offs/Transfers | – | (35,749) | (41,666) | (4,899) | – | (9,586) | (5,876) | (97,776) |
| Derecognition due to expiry or early termination of lease | (354,291) | – | – | – | (2,977) | – | – | (357,268) |
| Translation differences | – | (6,326) | (1,076) | – | (521) | (2,308) | – | (10,231) |
| At 31 December 2023 | 9,151,044 | 527,514 | 1,492,504 | 683,644 | 473,668 | 2,675,796 | 120,121 | 15,124,291 |
| Depreciation charge for the year | 446,661 | 27,364 | 188,312 | 50,383 | 33,074 | 219,632 | 2,804 | 968,230 |
| Disposals/Write offs/Transfers | – | (185,609) | (28,575) | – | (14,112) | (72,020) | – | (300,316) |
| At 31 December 2024 | 9,597,705 | 369,269 | 1,652,241 | 734,027 | 492,630 | 2,823,408 | 122,925 | 15,792,205 |
| | | | | | | | | |
| **Carrying amounts** | | | | | | | | |
| At 1 January 2023 | 1,762,615 | 143,189 | 530,620 | 110,711 | 118,180 | 1,037,986 | 21,354 | 3,724,655 |
| At 31 December 2023 | 1,415,260 | 109,316 | 479,067 | 76,823 | 99,657 | 840,701 | 15,719 | 3,036,543 |
| At 31 December 2024 | 979,293 | 56,276 | 493,765 | 273,429 | 80,770 | 648,757 | 12,915 | 2,545,205 |

# Notes to the Financial Statements (Cont'd)

**4 Property, plant and equipment (continued)**

Included in property, plant and equipment are the right-of-use assets related to leased properties and office equipment of $1,648,191 (2023: $2,767,361) and $17,604 (2023: $38,135) relating to the Group respectively; and $135,239 (2023: $239,329) and $15,464 (2023: $33,141) relating to the Company respectively.

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $2,927,167 (2023: $4,110,414), of which $68,088 (2023: $57,000) were acquired under finance leases and $369,487 (2023: $3,361,398) relates to right-of-use assets. Cash payments of $2,489,592 (2023: $692,016) were made to purchase property, plant and equipment.

During the financial year, the Group entered into a Sale and Purchase Agreement to acquire a property under construction in Malaysia for RM14.5 million (approximately $4.1 million). As at 31 December 2024, the Group has paid approximately RM4.7 million (approximately $1.5 million) of the purchase consideration.

Details of properties held by the Group and the Company as at 31 December are as follows:

| Location | Description and existing use | Tenure/ Unexpired term | Land area (sq m) | Carrying amount 2024 $ | Carrying amount 2023 $ |
|---|---|---|---|---|---|
| **Leasehold land and buildings** | | | | | |
| 69 Jalan Lekar, Singapore 698934<br>71 Jalan Lekar, Singapore 698950 | Fish farming | 10 years from 11 November 2016 | 41,780 | 363,816 | 530,345 |
| 35 Lorong Semangka, Singapore 698912 | Fish farming | 20 years from 20 February 2008 | 19,343 | 482,518 | 645,586 |
| 30/25 & 30/26 Moo 8, Khlongnueng, Khlongluang, Pathumthani, 12120 Thailand | Fish farming | 1 January 2024 to 31 December 2026 | 3,290 | 34,570 | – |
| 30/24 Moo 8, Khlongnueng, Khlongluang, Pathumthani, 12120 Thailand | Fish farming | 1 January 2024 to 31 December 2026 | 1,740 | 11,385 | – |
| B601, B602, B639, B640 Sri Somrat Market Zone A, Chatuchak, Bangkok 10900 Thailand | Retail outlet | 1 January 2024 to 31 December 2026 | 64 | 19,439 | – |
| JL. Raya Brantamulya Tengsaw No. 9 Tarik Kolot, Kecamatan Citeureup Bogor, Indonesia 16810 | Fish farming | 30 years from 1 May 2013 | 1,343 | 203,977 | 192,008 |
| Yan Dun Wen Yuan Village Hui Wen Town Wen Chang City Hainan, China | Fish farming | 1 January 2017 to 30 April 2033 | 3,833 | 475,090 | 514,569 |
| No. 12 Dongfeng Road, Qichecheng, Tanbu Town, Huadu District, Guangzhou, China | Office space, factory and warehousing | 1 September 2023 to 31 March 2026 | 24,355 | 744,224 | 1,356,524 |
| | | Balance carried forward | | 2,335,019 | 3,239,032 |



**4 Property, plant and equipment (continued)**

| Location | Description and existing use | Tenure/ Unexpired term | Land area (sq m) | Carrying amount 2024 $ | Carrying amount 2023 $ |
|---|---|---|---|---|---|
| **Leasehold land and buildings (continued)** | | | | | |
| | | Balance brought forward | | 2,335,019 | 3,239,032 |
| Dong Fish Farm Bei Ma Fang Village Jinzhang Town Chao Yang District Beijing, China | Office space and warehousing | 1 July 1998 to 31 December 2025 | 8,667 | – | 36,935 |
| Blk 20, Woodlands Link, #03-28/29, Singapore 738733 | Warehousing | 1 April 2018 to 30 September 2027 | 389 | 57,895 | 78,948 |
| 2 Woodlands Sector 1, #03-35, Woodlands Spectrum 1, Singapore 738068 | Factory | 1 May 2023 to 30 April 2026 | 1,904 | 440,746 | 771,304 |
| 211 Woodlands Avenue 9, #04-78, Spectrum 2, Singapore 738960 | Warehousing | 1 May 2023 to 30 April 2026 | 369 | 91,273 | 159,727 |
| No. 42-0, Ground Floor, Lorong Batu Nilam 4A, Bandar Bukit Tinggi, 41200 Klang, Selangor, Malaysia | Retail outlet | 1 May 2023 to 30 April 2025 | 153 | 5,543 | 20,934 |
| No. 56-G, Jalan Dwitasik, Bandar Sri Permaisuri, 56000 Cheras, Kuala Lumpur, Malaysia | Retail outlet | 10 January 2023 to 9 January 2025 | 153 | – | 29,220 |
| 45 Jalan SS24/8, Taman Megah, 47301 Petaling Jaya, Selangor, Malaysia | Retail outlet | 10 September 2023 to 9 August 2025 | 153 | 22,867 | 53,970 |
| D-G-08, Jalan SS6/20A Dataran Glomac, Pusat Bandar Kelana Jaya, 47301 Petaling Jaya, Selangor, Malaysia | Retail outlet | 1 March 2023 to 28 February 2026 | 178 | 29,979 | 52,561 |
| Block C, E and F Lot 6212, Kampung Baru Balakong 43300 Balakong, Selangor, Malaysia | Office space and warehousing | 1 January 2023 to 30 June 2025 | 4,196 | 126,791 | 303,106 |
| | | Balance carried forward | | 3,110,113 | 4,745,737 |

# Notes to the Financial Statements (Cont'd)

**4 Property, plant and equipment (continued)**

| Location | Description and existing use | Tenure/ Unexpired term | Land area (sq m) | Carrying amount 2024 $ | 2023 $ |
|---|---|---|---|---|---|
| **Leasehold land and buildings (continued)** | | | | | |
| | | Balance brought forward | | 3,110,113 | 4,745,737 |
| Geran No. 92849 Lot No. 2931, Mukim of Kota Tinggi, Kota Tinggi, 81900 Johor, Malaysia | Fish farming | 1 April 2024 to 31 March 2027 | 40,468 | 91,288 | – |
| BizPark 3 Block E18, Kalibaru, Kecamatan Medan Satria, Kota Bekasi, Jawa Barat, Indonesia 17133 | Warehousing | 13 June 2024 to 13 June 2026 | 360 | 41,236 | – |
| **Freehold land and buildings** | | | | | |
| 761 Rangsit - Nakornayok 52 Road, Pachatipat, Tanyaburi, Pathumthani, 12130 Thailand | Residential | Freehold | 444 | 27,272 | 36,068 |
| 76 Moo 5, Samruean, Mueang Ratchaburi, Ratchaburi 70000, Thailand | Fish Farming | Freehold | 46,219 | 1,055,618 | 931,621 |
| | | | | 4,325,527 | 5,713,426 |

**5 Biological assets**

| | Brooder stocks Group and Company 2024 $ | 2023 $ |
|---|---|---|
| **Cost** | | |
| At 1 January | 135,000 | 9,568,000 |
| Additions | – | 135,000 |
| Loss during the year | – | (9,568,000) |
| At 31 December | 135,000 | 135,000 |
| **Accumulated depreciation and impairment loss** | | |
| At 1 January | 2,250 | 1,899,234 |
| Depreciation charge for the year | 13,500 | 144,817 |
| Loss during the year | – | (2,041,801) |
| At 31 December | 15,750 | 2,250 |
| **Net carrying amount** | | |
| At 31 December | 119,250 | 132,750 |

The brooder stocks are parent stocks of dragon fish, held by the Group and the Company for use in the breeding of dragon fish. Due to the uniqueness of each dragon fish and as an active market does not exist for the brooder stocks, the brooder stocks are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The depreciation method, useful lives and residual values are reviewed at each reporting date.



**5 Biological assets (continued)**

In the previous financial year, the Group made a strategic decision to reduce its efforts in the breeding of dragon fish. The disposal of a substantial portion of its brooder stocks would free up resources and the existing earthen ponds would be repurposed to explore new business activities that would generate better value for the Group. Loss on biological assets of approximately $7.4 million has been included under other expenses in 2023.

The depreciation charged is recognised in general and administrative expenses in the statement of profit or loss.

| | Breeder stocks Group and Company 2024 $ | 2023 $ |
|---|---|---|
| At 1 January | – | 183,090 |
| Decreases due to sales/write-offs | – | (435,930) |
| Net increase due to births | – | 252,840 |
| Purchases | 82,561 | – |
| Net change in fair value | 16,554 | – |
| Harvest | (29,106) | – |
| Incident-based mortality | (28,256) | – |
| At 31 December | 41,753 | – |

Breeder stocks are farm-raised marble goby grown to biomass ready for harvest. As at the reporting date, these stocks are measured based on their fair value with any change therein recognised in profit or loss. The fair value is determined based on the biomass volume and the size distribution of similar fishes that can be purchased from suppliers as at the reporting date.

Breeder stocks in the previous financial year were off-springs of the brooder stocks held for trading purposes. These stocks were measured based on fair value, which are determined based on the age, breed and generic merit of similar fish that can be purchased from another supplier.

***Impairment tests for cash-generating units containing biological assets***

The recoverable amounts of the brooder stocks are based on value in use and are determined by discounting the future cash flows to be generated from the continuing use of the CGU. Value in use in 2024 was determined in a similar manner as in 2023. No impairment loss is recognised in respect of the biological assets as at 31 December 2024 and 31 December 2023 as the recoverable amount was in excess of the carrying amount.

***Key assumptions used in discounted cash flow projection calculations***

Key assumptions used in the calculation of recoverable amounts of brooder stocks are pre-tax discount rates, production yield and growth rates. These assumptions are as follows:

| | Discount rate 2024 % | 2023 % | Production yield 2024 | 2023 | Budgeted revenue growth 2024 % | 2023 % |
|---|---|---|---|---|---|---|
| Biological assets | 8.5 | 12.0 | 0.9 | 0.9 | 5.0 | 5.0 |

*Discount rate*

The pre-tax discount rates used are based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systemic risk of the specific business activities.

# Notes to the Financial Statements (Cont'd)

**5 Biological assets (continued)**

***Impairment tests for cash-generating units containing biological assets* (continued)**

***Key assumptions used in discounted cash flow projection calculations* (continued)**

*Production yield*

Management estimates the production yield based on the actual breeder production for the past 12 months adjusted for the expected production yield.

*Budgeted revenue growth*

The anticipated annual revenue growth included in the cash flow projections was based on past performance and its expectation for market development.

The Group is exposed to a number of risks related to its brooder stocks and breeder stocks:

**Regulatory and environmental risks**

The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

**Supply and demand risks**

The Group is exposed to risks arising from fluctuations in the price and sales volume of breeder stocks. Management performs regular industry trend analysis to ensure that the Group's pricing structure is in line with the market and to manage the breeding program.

**Climate and other risks**

The Group's brooder stocks and breeder stocks are exposed to the risk of damage and fatalities from climatic changes, diseases and other natural forces. The Group has processes in place aimed at monitoring and mitigating those risks, including regular health inspections and industry disease surveys.

***Sensitivity analysis***

The estimated recoverable amount of the brooder stocks exceeded its carrying amount by approximately $43,000 as of 31 December 2024 (2023: $20,000). No impairment loss was required for the carrying amount of brooder stocks as at 31 December 2024 and 31 December 2023 as the recoverable amount was in excess of carrying amount. The following table shows the percentage by which these three key assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

| | **Change required for recoverable amount to equal the carrying amount** | |
|---|---|---|
| | **2024 %** | **2023 %** |
| Production yield | (24.4) | (13.1) |
| Growth rate | (207.1) | (108.9) |
| Discount rate | 86.6 | 32.2 |



**6 Intangible assets**

| | **Trademarks/ Customer acquisition costs/ Formulation rights $** | **Goodwill $** | **Total $** |
|---|---|---|---|
| **Group** | | | |
| **Cost** | | | |
| At 1 January 2023 | 3,797,806 | 4,046,430 | 7,844,236 |
| Additions | 4,736 | – | 4,736 |
| At 31 December 2023 | 3,802,542 | 4,046,430 | 7,848,972 |
| Translation differences | 280 | – | 280 |
| At 31 December 2024 | 3,802,822 | 4,046,430 | 7,849,252 |
| **Accumulated amortisation** | | | |
| At 1 January 2023 | 1,060,784 | – | 1,060,784 |
| Amortisation for the year | 123,316 | – | 123,316 |
| At 31 December 2023 | 1,184,100 | – | 1,184,100 |
| Amortisation for the year | 123,672 | – | 123,672 |
| Translation differences | 77 | – | 77 |
| At 31 December 2024 | 1,307,849 | – | 1,307,849 |
| **Carrying amounts** | | | |
| At 1 January 2023 | 2,737,022 | 4,046,430 | 6,783,452 |
| At 31 December 2023 | 2,618,442 | 4,046,430 | 6,664,872 |
| At 31 December 2024 | 2,494,973 | 4,046,430 | 6,541,403 |

| | **Trademarks/ Customer acquisition costs/ Formulation rights $** |
|---|---|
| **Company** | |
| **Cost** | |
| At 1 January 2023, 31 December 2023 and 31 December 2024 | 3,717,806 |
| **Accumulated amortisation** | |
| At 1 January 2023 | 980,784 |
| Amortisation for the year | 122,000 |
| At 31 December 2023 | 1,102,784 |
| Amortisation for the year | 122,000 |
| At 31 December 2024 | 1,224,784 |
| **Carrying amounts** | |
| At 1 January 2023 | 2,737,022 |
| At 31 December 2023 | 2,615,022 |
| At 31 December 2024 | 2,493,022 |

The amortisation charged is recognised in selling and distribution expenses in the statement of profit or loss.

# Notes to the Financial Statements (Cont'd)

**6 Intangible assets (continued)**

***(i) Impairment tests for cash-generating units containing trademarks/customer acquisition costs***

Trademarks/Customer acquisition costs are costs paid for the acquisition and registration of brands and trademarks of pet food.

The recoverable amounts of the above balances are based on value in use and are determined by discounting the future cash flows to be generated from the continuing use of the CGU. Value in use in 2024 was determined in a similar manner as in 2023. No impairment loss was required for the carrying amount of trademarks/customer acquisition costs at 31 December 2024 and 31 December 2023 as the recoverable value was in excess of the carrying amount.

***Key assumptions used in discounted cash flow projection calculations***

Key assumptions used in the calculation of recoverable amounts of trademarks/customer acquisition costs are pre-tax discount rates and growth rates. These assumptions are as follows:

| | Discount rate | | Terminal value growth rate | | Budgeted revenue growth | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | % | % | % | % | % | % |
| Pet food | 9.2 | 12.4 | 5.0 | 5.0 | 5.0 | 5.0 |

*Discount rate*

The pre-tax discount rates used are based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systemic risk of the specific business activities.

*Terminal value growth rate*

Management includes five years of cash flows based on financial budgets approved by the Board of Directors in their discounted cash flow models. A long-term growth rate into perpetuity has been determined as the lower of the nominal GDP rates for the country in which the division is based and the long-term compound annual growth rate in earnings before interest, taxation, depreciation and amortisation (EBITDA) estimated by management.

*Budgeted revenue growth*

The anticipated annual revenue growth included in the cash flow projections was based on past performance and its expectation for market development.

***Sensitivity analysis***

No sensitivity analysis is presented as the cashflow projection is not sensitive to any changes in the key assumptions.

***(ii) Impairment tests for goodwill arising from the business combination of Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd (GZQH)***

For the purpose of impairment testing, goodwill has been allocated to GZQH, the lowest CGU.

The goodwill of $4,046,430 is attributable mainly to the synergies expected to be achieved from integrating GZQH into the Group's existing accessories business. None of the goodwill recognised is expected to be deductible for tax purposes.

The recoverable amount of this CGU is based on its value in use and are determined by discounting the future cash flows to be generated from the continuing use of the CGU. Value in use in 2024 was determined in the same manner as in 2023. No impairment loss was required for the carrying amount of goodwill as at 31 December 2024 and 31 December 2023 as the recoverable amount was in excess of carrying amount.



**6 Intangible assets (continued)**

***(ii) Impairment tests for goodwill arising from the business combination of Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd (GZQH)*** **(continued)**

***Key assumptions used in discounted cash flow projection calculations***

Key assumptions used in the estimation of value in use are as follows:

| | 2024 | 2023 |
|---|---|---|
| | % | % |
| Discount rate | 13.4 | 16.5 |
| Terminal growth rate | 5.0 | 5.0 |
| Net profit margin | 6.0 | 6.0 |

*Discount rate*

The pre-tax discount rates used are based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systemic risk of the specific business activities.

*Terminal growth rate*

A long-term growth rate into perpetuity has been determined as the lower of the nominal GDP rates for People's Republic of China in which GZQH operates and the long-term compound annual growth rate in EBITDA estimated by management.

*Net profit margin*

The net profit margin is determined by comparing against the Group's historical performance in similar business segment, future business plans and consideration of other external and internal factors.

***Sensitivity analysis***

No sensitivity analysis is presented as the cashflow projection is not sensitive to any changes in the key assumptions.

**7 Subsidiaries**

| | Company | |
|---|---|---|
| | 2024 | 2023 |
| | $ | $ |
| Unquoted equity investments, at cost | 3,627,287 | 3,524,387 |

Details of subsidiaries are as follows:

| Name of subsidiaries | Principal activities | Country of incorporation and business | Ownership interest | | Cost of investment by the Company | |
|---|---|---|---|---|---|---|
| | | | 2024 | 2023 | 2024 | 2023 |
| | | | % | % | $ | $ |
| * Qian Hu Tat Leng Plastic Pte. Ltd. | Manufacture of plastic bags | Singapore | 100 | 100 | 57,050 | 57,050 |
| ^ Qian Hu Aquarium and Pets (M) Sdn. Bhd. and its subsidiary: | Trading and distribution of ornamental fish and aquarium and pet accessories | Malaysia | 100 | 100 | 171,951 | 171,951 |
| | | | Balance carried forward | | 229,001 | 229,001 |

# Notes to the Financial Statements (Cont'd)

**7 Subsidiaries (continued)**

| Name of subsidiaries | Principal activities | Country of incorporation and business | Ownership interest 2024 % | Ownership interest 2023 % | Cost of investment by the Company 2024 $ | Cost of investment by the Company 2023 $ |
|---|---|---|---|---|---|---|
| | | Balance brought forward | | | 229,001 | 229,001 |
| ^ Qian Hu The Pet Family (M) Sdn. Bhd. | Trading of ornamental fish and aquarium accessories | Malaysia | 100 | 100 | – | – |
| ^ Qian Hu Development Sdn. Bhd. | Investment holding | Malaysia | 100 | 100 | 16,000 | 16,000 |
| ^ Qian Hu Aquaculture (M) Sdn. Bhd. | Farming and distribution of aquaculture products | Malaysia | 70 | – | 102,900 | – |
| ^ Beijing Qian Hu Aquarium and Pets Co., Ltd | Distribution of aquarium and pet accessories | People's Republic of China | 100 | 100 | 171,824 | 171,824 |
| ^ Guangzhou Qian Hu OF Feed Co., Ltd | Manufacture of fish feed | People's Republic of China | 100 | 100 | 126,170 | 126,170 |
| ^ Guangzhou Qian Hu Aquarium and Pets Co., Ltd | Distribution of aquarium and pet accessories | People's Republic of China | 100 | 100 | 69,000 | 69,000 |
| ^ Qian Hu Aquaculture (Hainan) Co., Ltd | Farming of edible fish | People's Republic of China | 100 | 100 | 1,240,393 | 1,240,393 |
| ^ Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd | Manufacture of aquarium and pet accessories | People's Republic of China | 100 | 100 | 13,668 | 13,668 |
| ^ Qian Hu Marketing Co., Ltd. | Distribution of aquarium and pet accessories | Thailand | 74♦ | 74♦ | 148,262 | 148,262 |
| ^ Thai Qian Hu Company Limited and its subsidiary: | Trading of ornamental fish | Thailand | 60 | 60 | 121,554 | 121,554 |
| ^ Advance Aquatic Co., Ltd | Trading of ornamental fish | Thailand | 60 | 60 | – | – |
| ^ NNTL (Thailand) Limited | Investment holding | Thailand | 49@ | 49@ | 30,999 | 30,999 |
| ^ P.T. Qian Hu Joe Aquatic Indonesia | Trading of ornamental fish | Indonesia | 97.25 | 97.25 | 1,357,516 | 1,357,516 |
| | | | | | 3,627,287 | 3,524,387 |



**7 Subsidiaries (continued)**

KPMG LLP Singapore is the auditor of the Singapore-incorporated subsidiary.

* *Audited by KPMG LLP Singapore.*

^ *Audited by other certified public accountants. These subsidiaries are not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual. For this purpose, a subsidiary is considered significant if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.*

♦ *This represents the Group's effective interest in Qian Hu Marketing Co Ltd. The Company holds a 49% (2023: 49%) direct interest in Qian Hu Marketing Co Ltd and the remaining effective interest of 25% (2023: 25%) is held through a subsidiary, NNTL (Thailand) Limited.*

@ *NNTL (Thailand) Limited is considered a subsidiary of the Company as the Company has voting control at general meetings and board meetings of NNTL (Thailand) Limited.*

There are no subsidiaries that have NCI that are material to the Group.

**8 Financial asset at fair value through profit or loss ("FVTPL")**

| | Group and Company 2024 $ | Group and Company 2023 $ |
|---|---|---|
| **Non-listed debt instrument - convertible loan** | | |
| At 1 January | 1,379,181 | 1,049,660 |
| Net change in fair value | 72,506 | 329,521 |
| At 31 December | 1,451,687 | 1,379,181 |

On 20 December 2021, the Company entered into a $1 million unsecured convertible loan ("USCL") agreement with AquaEasy Pte Ltd ("AquaEasy"). The USCL, paid in January 2022, bears interest at 5% per annum from the date of disbursement of the loan to AquaEasy and matures on 30 June 2023.

On 22 May 2023, the Company has agreed with AquaEasy to extend the maturity date of the USCL from 30 June 2023 to 31 December 2024. The subsequent tenure bears interest at 6% per annum.

On 18 October 2024, the maturity date of the USCL was further extended to 31 December 2025 with a revised interest rate of 7% per annum.

The fair value of the financial asset was valued by an independent valuation firm as at the reporting dates. The valuation techniques used to derive at the fair value is the income approach by using the Probability Weighted Expected Return Method.

# Notes to the Financial Statements (Cont'd)

## 9 Trade and other receivables

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Trade receivables | 12,646,287 | 12,202,442 | 7,449,357 | 7,157,646 |
| Loss allowance | (1,464,254) | (1,463,910) | (781,000) | (820,000) |
| Net receivables | 11,182,033 | 10,738,532 | 6,668,357 | 6,337,646 |
| Deposits | 631,671 | 665,601 | 147,570 | 152,610 |
| Tax recoverable | 99,329 | 120,991 | – | – |
| Other receivables | 1,455,422 | 1,666,259 | 737,277 | 650,164 |
| Amounts due from subsidiaries: | | | | |
| - trade | – | – | 10,083,934 | 11,367,259 |
| - non-trade | – | – | 3,188,560 | 2,892,703 |
| Amortised cost | 13,368,455 | 13,191,383 | 20,825,698 | 21,400,382 |
| Prepayments | 523,784 | 614,910 | 37,562 | 116,701 |
| Advances to suppliers | 922,147 | 561,880 | 502,890 | 264,698 |
| | 14,814,386 | 14,368,173 | 21,366,150 | 21,781,781 |
| Non-current | – | – | 5,661,492 | 4,850,220 |
| Current | 14,814,386 | 14,368,173 | 15,704,658 | 16,931,561 |
| | 14,814,386 | 14,368,173 | 21,366,150 | 21,781,781 |

Outstanding non-trade balances with subsidiaries are unsecured, interest-free and are repayable on demand. There is no loss allowance arising from the outstanding balances as the ECL is not material.

Receivables denominated in currencies other than the Company's functional currency comprise:

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| US Dollar | 3,619,727 | 2,737,333 | 2,239,452 | 1,712,372 |
| Euro | – | 13,746 | – | – |
| Malaysian Ringgit | 40,715 | 25,174 | 27,444 | 25,174 |
| Chinese Renminbi | 57,603 | 45,742 | 10,569 | 710 |
| Indonesian Rupiah | – | 29,670 | – | 29,670 |

Included in the amount due from subsidiaries is an amount due from GZQH of approximately $7.7 million as at 31 December 2024 (2023: $8.1 million).

Based on the revised repayment arrangement made with GZQH during the financial year, $2.0 million (2023: $3.2 million) of the outstanding amount as at 31 December 2024 is due on 31 December 2025 and the remaining amount of approximately $5.7 million (2023: $4.9 million) is neither planned and is not expected to be repaid within the next 12 months.

**Credit and market risks, and impairment losses**

The Group and the Company's exposures to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in Note 26.

## 10 Inventories

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Fish | 1,741,698 | 1,608,042 | 996,228 | 919,534 |
| Accessories | 8,831,414 | 9,416,363 | 3,923,771 | 3,796,651 |
| Raw materials – plastic products | 427,501 | 466,283 | – | – |
| Finished goods – plastic products | 846,868 | 748,947 | – | – |
| | 11,847,481 | 12,239,635 | 4,919,999 | 4,716,185 |

In 2024, inventories of $44,566,609 (2023: $45,041,907) were recognised as an expense during the year and included in cost of sales in the statement of profit or loss.

**Allowance for inventory obsolescence**

The Group assesses the net realisable value of its inventories on annual basis. Estimates of net realisable value are based on the most reliable evidence available at the statement of financial position date. These estimates take into consideration of market demand, selling price and cost directly relating to events occurring after the end of financial year to the extent that such events confirm conditions existing at the end of the financial year.

## 11 Cash and cash equivalents

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Cash and bank balances | 12,868,202 | 15,119,457 | 5,957,752 | 8,168,917 |
| Short-term deposits | 1,763,125 | 426,764 | 1,763,125 | – |
| Cash and cash equivalents | 14,631,327 | 15,546,221 | 7,720,877 | 8,168,917 |

Short-term deposits bear average effective interest rate of 4.27% (2023: 3.57%) per annum.

Cash and cash equivalents denominated in foreign currencies other than the Company's functional currency comprise:

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| US Dollar | 4,109,850 | 3,222,853 | 3,517,475 | 2,443,063 |
| Euro | 172,810 | 106,028 | 77,795 | 27,921 |
| Chinese Renminbi | 9,395 | 9,394 | 9,395 | 9,394 |

# Notes to the Financial Statements (Cont'd)

## 12 Share capital

| | 2024 $ | Group and Company 2024 No. of shares | 2023 $ | 2023 No. of shares |
|---|---|---|---|---|
| **Fully paid ordinary shares, with no par value:** | | | | |
| At 1 January and 31 December | 30,772,788 | 113,526,467 | 30,772,788 | 113,526,467 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

***Capital management***

The Board's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding NCI. The Board of Directors also monitors the level of dividends to ordinary equity holders. The Group funds its operations and growth through a mix of equity and debts. This includes the maintenance of adequate lines of credit and assessing the need to raise additional equity where required.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Net debt | 931,539 | 1,258,843 | 4,935,805 | 5,308,022 |
| Total equity | 42,043,219 | 41,731,628 | 31,379,338 | 31,670,370 |
| Total capital | 42,974,758 | 42,990,471 | 36,315,143 | 36,978,392 |
| **Gearing ratio** | 0.02 | 0.03 | 0.14 | 0.14 |

The Group and the Company are in compliance with all borrowing covenants for the financial years ended 31 December 2023 and 2024. There were no changes in the Group's approach to capital management during the financial year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 13 Reserves

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Retained earnings | 9,393,806 | 9,377,729 | 516,998 | 808,030 |
| Translation reserve | (388,874) | (657,177) | 89,552 | 89,552 |
| | 9,004,932 | 8,720,552 | 606,550 | 897,582 |

The translation reserve of the Group and the Company comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company and the translation of monetary items which form part of the Group's net investment in the foreign operations, provided certain conditions are met.

## 14 Loans and borrowings

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| **Non-current liabilities** | | | | |
| Lease liabilities | 526,818 | 1,562,395 | 105,712 | 216,920 |
| **Current liabilities** | | | | |
| Bank term loans (unsecured) | 4,500,000 | 5,000,000 | 4,500,000 | 5,000,000 |
| Bills payable to banks (unsecured) | 73,511 | – | – | – |
| Lease liabilities | 1,337,201 | 1,387,150 | 139,011 | 125,682 |
| | 5,910,712 | 6,387,150 | 4,639,011 | 5,125,682 |
| Total borrowings | 6,437,530 | 7,949,545 | 4,744,723 | 5,342,602 |

The unsecured bank term loans are revolving bank loans that bear interest at rates ranging from 4.08% to 4.14% (2023: 4.75% to 5.01%) per annum and are repayable within the next 12 months from the reporting date.

As at 31 December 2024, there were corporate guarantees given by the Company to financial institutions for banking facilities extended to subsidiaries amounting to approximately $5.0 million (2023: $1.6 million).

The weighted average effective interest rate relating to bills payable to banks of the Group is 4.90% per annum. These bills matured within one to three months from the reporting date.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

| | Carrying amount $ | Cash flows: Contractual cash flows $ | Within 1 year $ | Within 1 to 5 years $ | More than 5 years $ |
|---|---|---|---|---|---|
| **Group** | | | | | |
| **2024** | | | | | |
| Bank term loans | 4,500,000 | 4,685,850 | 4,685,850 | – | – |
| Bills payable to banks | 73,511 | 77,113 | 77,113 | – | – |
| Lease liabilities | 1,864,019 | 1,952,537 | 1,400,479 | 552,058 | – |
| Trade and other payables* | 6,200,593 | 6,200,593 | 6,200,593 | – | – |
| | 12,638,123 | 12,916,093 | 12,364,035 | 552,058 | – |
| **2023** | | | | | |
| Bank term loans | 5,000,000 | 5,243,500 | 5,243,500 | – | – |
| Lease liabilities | 2,949,545 | 3,130,011 | 1,500,774 | 1,629,237 | – |
| Trade and other payables* | 5,572,129 | 5,572,129 | 5,572,129 | – | – |
| | 13,521,674 | 13,945,640 | 12,316,403 | 1,629,237 | – |

# Notes to the Financial Statements (Cont'd)

## 14 Loans and borrowings (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments: (continued)

| | Carrying amount $ | Cash flows: Contractual cash flows $ | Within 1 year $ | Within 1 to 5 years $ | More than 5 years $ |
|---|---|---|---|---|---|
| **Company** | | | | | |
| **2024** | | | | | |
| Bank term loans | 4,500,000 | 4,685,850 | 4,685,850 | – | – |
| Lease liabilities | 244,723 | 267,238 | 147,528 | 119,710 | – |
| Trade and other payables* | 5,621,023 | 5,621,023 | 5,621,023 | – | – |
| | 10,365,746 | 10,574,111 | 10,454,401 | 119,710 | – |
| **2023** | | | | | |
| Bank term loans | 5,000,000 | 5,243,500 | 5,243,500 | – | – |
| Lease liabilities | 342,602 | 373,558 | 138,528 | 235,030 | – |
| Trade and other payables* | 5,618,439 | 5,618,439 | 5,618,439 | – | – |
| | 10,961,041 | 11,235,497 | 11,000,467 | 235,030 | – |

* *Excludes advance received from customers and accrued staff costs.*

**Reconciliation of movements of liabilities to cash flows arising from financing activities**

| Group | Other loans and borrowings $ | Lease liabilities $ | Accrued interest payable (Note 16) $ | Total $ |
|---|---|---|---|---|
| **Balance at 1 January 2023** | 9,025,607 | 1,776,947 | 21,335 | 10,823,889 |
| **Changes from financing cash flows** | | | | |
| Interest paid | – | (111,305) | (353,200) | (464,505) |
| Repayment of lease liabilities | – | (1,337,293) | – | (1,337,293) |
| Repayment of bank term loans | (4,000,000) | – | – | (4,000,000) |
| **Total changes from financing cash flows** | (4,000,000) | (1,448,598) | (353,200) | (5,801,798) |
| The effect of changes in foreign exchange rates | (1,511) | (48,811) | – | (50,322) |
| **Other changes** | | | | |
| New leases | – | 3,418,398 | – | 3,418,398 |
| Derecognition of lease liabilities | – | (859,696) | – | (859,696) |
| Interest expense | – | 111,305 | 339,746 | 451,051 |
| Bills payable to bank (net) | (24,096) | – | – | (24,096) |
| **Total other changes** | (24,096) | 2,670,007 | 339,746 | 2,985,657 |
| **Balance at 31 December 2023** | 5,000,000 | 2,949,545 | 7,881 | 7,957,426 |



## 14 Loans and borrowings (continued)

**Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)**

| Group | Other loans and borrowings $ | Lease liabilities $ | Accrued interest payable (Note 16) $ | Total $ |
|---|---|---|---|---|
| **Balance at 1 January 2024** | 5,000,000 | 2,949,545 | 7,881 | 7,957,426 |
| **Changes from financing cash flows** | | | | |
| Interest paid | – | (126,315) | (229,055) | (355,370) |
| Repayment of lease liabilities | – | (1,476,533) | – | (1,476,533) |
| Repayment of bank term loans | (500,000) | – | – | (500,000) |
| **Total changes from financing cash flows** | (500,000) | (1,602,848) | (229,055) | (2,331,903) |
| The effect of changes in foreign exchange rates | – | (24,972) | – | (24,972) |
| **Other changes** | | | | |
| New leases | – | 437,575 | – | 437,575 |
| Derecognition of lease liabilities | – | (21,596) | – | (21,596) |
| Interest expense | – | 126,315 | 228,464 | 354,779 |
| Bills payable to bank (net) | 73,511 | – | – | 73,511 |
| Total other changes | 73,511 | 542,294 | 228,464 | 844,269 |
| **Balance at 31 December 2024** | 4,573,511 | 1,864,019 | 7,290 | 6,444,820 |

## 15 Deferred tax liabilities

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Property, plant and equipment | 37,200 | 47,936 | – | – |

Movement in deferred tax liabilities of the Group during the year are as follows:

| | At 1 January 2023 $ | Recognised in profit or loss (Note 20) $ | Translation differences $ | At 31 December 2023 $ | Recognised in profit or loss (Note 20) $ | Translation differences $ | At 31 December 2024 $ |
|---|---|---|---|---|---|---|---|
| Property, plant and equipment | 54,444 | (5,066) | (1,442) | 47,936 | (11,798) | 1,062 | 37,200 |

# Notes to the Financial Statements (Cont'd)

**15 Deferred tax liabilities (continued)**

***Unrecognised deferred tax assets***

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ |
| Deductible temporary differences | 13,172,885 | 13,346,759 | 13,166,987 | 13,269,324 |
| Tax losses | 6,513,078 | 6,472,224 | 5,969,614 | 5,796,045 |
| | 19,685,963 | 19,818,983 | 19,136,601 | 19,065,369 |

Deferred tax assets have not been recognised in respect of tax losses for certain subsidiaries because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

**16 Trade and other payables**

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ |
| Trade payables | 3,338,345 | 3,409,407 | 1,497,547 | 1,846,501 |
| Accrued operating expenses | 869,806 | 830,023 | 617,509 | 653,388 |
| Accrued interest payable | 7,290 | 7,881 | 7,290 | 7,881 |
| Other payables | 1,985,152 | 1,324,818 | 1,370,255 | 964,049 |
| Accrued staff costs | 2,530,276 | 2,724,496 | 2,097,978 | 2,278,904 |
| Advance received from customers | 394,467 | 558,894 | 192,958 | 236,994 |
| Amounts due to subsidiaries: | | | | |
| - trade | – | – | 1,163,218 | 831,416 |
| - non-trade | – | – | 965,204 | 1,315,204 |
| | 9,125,336 | 8,855,519 | 7,911,959 | 8,134,337 |

Other payables are interest-free and have an average term of three months. The non-trade amounts due to subsidiaries are unsecured, interest-free and are repayable on demand.

Payables denominated in currencies other than the Company's functional currency comprise:

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ |
| US Dollar | 339,539 | 202,135 | 189,223 | 163,482 |
| Euro | 10,575 | 30,889 | 10,575 | 30,889 |
| Australian Dollar | 21,865 | 22,014 | – | 22,014 |
| Malaysian Ringgit | 5,499 | 36,649 | 2,927 | 8,048 |
| Thai Baht | – | 516,332 | – | 539,453 |
| Chinese Renminbi | 477,001 | 167,749 | 370,783 | 142,479 |
| New Taiwan Dollar | 148,366 | 92,031 | 83,561 | 92,031 |
| Indonesian Rupiah | – | 100,764 | – | 100,764 |

**Market and liquidity risk**

The Group and the Company's exposures to currency risk and liquidity risk related to trade and other payables are disclosed in Note 26.

**17 Revenue**

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ |
| Sale of goods: | | | | |
| - fish | 29,324,378 | 27,646,128 | 17,379,061 | 18,393,107 |
| - accessories | 34,031,889 | 34,650,097 | 18,307,963 | 20,111,160 |
| - plastics | 8,061,516 | 8,017,562 | – | – |
| | 71,417,783 | 70,313,787 | 35,687,024 | 38,504,267 |

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

**Sale of fish**

| | |
|---|---|
| Nature of goods or services | Fish farming, breeding, distribution and trading of ornamental fish and aquaculture products |
| When revenue is recognised | Point of sale |
| Significant payment terms | 30 days from invoice date |

**Sale of accessories**

| | |
|---|---|
| Nature of goods or services | Manufacturing and distribution of aquarium and pets accessories |
| When revenue is recognised | Point of sale |
| Significant payment terms | 30 days from invoice date |

**Sale of plastics**

| | |
|---|---|
| Nature of goods or services | Manufacturing and distribution of plastic bags |
| When revenue is recognised | Point of sale |
| Significant payment terms | 30 days from invoice date |

**Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets and major products. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 25).

| | Fish | | Accessories | | Plastics | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ | $ | $ | $ | $ |
| **Group** | | | | | | | | |
| **Primary geographical markets** | | | | | | | | |
| Singapore | 6,557,306 | 7,674,136 | 11,483,597 | 11,608,369 | 7,610,759 | 7,566,805 | 25,651,662 | 26,849,310 |
| Other Asian countries | 12,371,115 | 10,327,375 | 18,856,620 | 19,238,572 | 372,570 | 292,220 | 31,600,305 | 29,858,167 |
| Europe | 4,543,216 | 4,375,197 | 466,617 | 244,470 | 36,225 | 46,667 | 5,046,058 | 4,666,334 |
| Others | 5,852,741 | 5,269,420 | 3,225,055 | 3,558,686 | 41,962 | 111,870 | 9,119,758 | 8,939,976 |
| | 29,324,378 | 27,646,128 | 34,031,889 | 34,650,097 | 8,061,516 | 8,017,562 | 71,417,783 | 70,313,787 |

# Notes to the Financial Statements (Cont'd)

## 17 Revenue (continued)

### Contract balances

The following table provides information about contract liabilities from contracts with customers.

| | Group | | Company | |
|---|---|---|---|---|
| | 2024<br>$ | 2023<br>$ | 2024<br>$ | 2023<br>$ |
| Contract liabilities | (394,467) | (558,894) | (192,958) | (236,994) |

The contract liabilities primarily relate to the advance consideration received from customers for sale of fish and accessories.

Significant changes in the contract liabilities balances during the year are as follows.

| | Group | | Company | |
|---|---|---|---|---|
| | 2024<br>$ | 2023<br>$ | 2024<br>$ | 2023<br>$ |
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | 558,894 | 568,633 | 236,994 | 172,440 |
| Increases due to cash received, excluding amounts recognised as revenue during the year | (394,467) | (558,894) | (192,958) | (236,994) |

## 18 Net finance costs

| | Group | | Company | |
|---|---|---|---|---|
| | 2024<br>$ | 2023<br>$ | 2024<br>$ | 2023<br>$ |
| Interest income | | | | |
| - bank deposits | 168,976 | 140,680 | 125,038 | 67,031 |
| Interest expense | | | | |
| - bank loans and overdrafts | (226,567) | (336,279) | (226,538) | (336,279) |
| - bills payable to banks | (1,897) | (3,467) | – | – |
| - lease liabilities | (126,315) | (111,305) | (13,399) | (11,929) |
| | (354,779) | (451,051) | (239,937) | (348,208) |
| Net finance costs | (185,803) | (310,371) | (114,899) | (281,177) |

## 19 Profit (Loss) before tax

The following items have been included in arriving at profit (loss) before tax:

| | Group | | Company | |
|---|---|---|---|---|
| | 2024<br>$ | 2023<br>$ | 2024<br>$ | 2023<br>$ |
| Allowance for (Write back of allowance for) inventory obsolescence | – | 1,517,783 | – | (88,000) |
| Auditors' remuneration | | | | |
| - auditors of the Company and other firms affiliated with KPMG International Limited | 166,000 | 158,000 | 147,000 | 140,000 |
| - other auditors | 22,407 | 19,706 | – | – |
| Non-audit fees | | | | |
| - auditors of the Company and other firms affiliated with KPMG International Limited | 63,000 | 55,000 | 63,000 | 55,000 |
| - other auditors | 33,065 | 25,737 | 24,960 | 16,640 |
| Bad trade receivables written off | 9,752 | 49,390 | 9,752 | 16,555 |
| Directors' fees | | | | |
| - directors of the Company | 80,000 | 80,000 | 80,000 | 80,000 |
| Depreciation of | | | | |
| - property, plant and equipment | 2,947,571 | 2,747,322 | 968,230 | 1,010,871 |
| - biological assets | 13,500 | 144,817 | 13,500 | 144,817 |
| Amortisation of intangible assets | 123,672 | 123,316 | 122,000 | 122,000 |
| Exchange (gain) loss, net | (165,769) | 29,913 | (176,082) | (3,543) |
| Short term leases | 292,047 | 141,020 | 37,342 | 25,000 |
| Property, plant and equipment written off | 55,122 | 364 | 42,287 | 364 |
| Staff costs | | | | |
| - salaries and bonus* | 13,917,493 | 13,284,249 | 8,525,367 | 8,485,888 |
| - provident fund contributions* | 1,007,577 | 958,453 | 694,572 | 657,103 |
| - staff welfare benefits | 1,057,617 | 955,070 | 445,761 | 345,027 |
| - foreign worker levy | 414,160 | 392,654 | 374,860 | 356,720 |
| Other (income) expenses | | | | |
| - gain on disposal of property, plant and equipment | (6,490) | (44,254) | – | (46,421) |
| - dividend income received from subsidiaries | – | – | (1,532,200) | (873,480) |
| - net change in fair value of | | | | |
| - financial asset at FVTPL | (72,506) | (329,521) | (72,506) | (329,521) |
| - biological assets | (16,554) | – | – | – |
| - gain on derecognition of right-of-use assets and lease liabilities | (3,128) | (12,703) | – | (2,471) |
| - sundry income | (225,156) | (122,474) | (63,496) | (15,918) |
| - handling income (net) | (2,088,215) | (3,035,303) | (2,088,215) | (3,035,303) |
| - compensation income | (653,593) | – | – | – |
| - loss on biological assets | – | 7,391,199 | – | 7,391,199 |

* *Include directors' remuneration*

# Notes to the Financial Statements (Cont'd)

## 20 Tax expense

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| ***Tax recognised in profit or loss*** | | | | |
| **Current tax expense** | | | | |
| Current year | 216,239 | 150,175 | 23,220 | 27,348 |
| (Over) Under provision in respect of prior year | (681) | 12,437 | – | – |
| | 215,558 | 162,612 | 23,220 | 27,348 |
| **Deferred tax credit** | | | | |
| Origination and reversal of temporary differences | (11,798) | (5,066) | – | – |
| | (11,798) | (5,066) | – | – |
| Total tax expense | 203,760 | 157,546 | 23,220 | 27,348 |
| ***Reconciliation of effective tax rate*** | | | | |
| Profit (Loss) before tax | 620,472 | (8,968,739) | 72,767 | (7,573,861) |
| Tax using Singapore tax rate of 17% (2023: 17%) | 105,480 | (1,524,686) | 12,370 | (1,287,556) |
| Effect of tax rates in foreign jurisdictions | 64,220 | 18,918 | – | – |
| Expenses not deductible for tax purposes | 111,180 | 409,420 | 67,158 | 67,822 |
| Income not subject to tax | (12,569) | (89,502) | (272,800) | (213,454) |
| Recognition of tax effect of previously unrecognised tax losses | (108,421) | (37,495) | – | – |
| Change in unrecognised temporary differences | 100,520 | 1,375,576 | 9,846 | 1,278,803 |
| Group tax relief transferred out | – | – | 183,426 | 154,385 |
| Withholding tax | 23,220 | 27,348 | 23,220 | 27,348 |
| Tax incentives | (79,189) | (34,470) | – | – |
| (Over) Under provision in respect of prior year | (681) | 12,437 | – | – |
| Tax expense | 203,760 | 157,546 | 23,220 | 27,348 |

**Tax recognised in other comprehensive income**

There is no tax effect on the translation differences relating to financial statements of foreign operations in other comprehensive income.

## 21 Directors' remuneration

Company's directors receiving remuneration from the Group:

| | Group and Company Number of directors 2024 | Group and Company Number of directors 2023 |
|---|---|---|
| Remuneration of: | | |
| $250,000 to $499,999 | 1 | 1 |
| Below $250,000 | 5 | 4 |
| | 6 | 5 |

| Names of director | Salary $ | Bonus $ | Directors' fees $ | Total $ |
|---|---|---|---|---|
| **Group and Company** | | | | |
| **2024** | | | | |
| Kenny Yap Kim Lee (retired on 31 December 2024) | 222,240 | – | – | 222,240 |
| Yap Kok Cheng | 313,872 | 27,244 | – | 341,116 |
| Soong Wee Choo | – | – | 28,000 | 28,000 |
| Ling Kai Huat | – | – | 26,000 | 26,000 |
| Chew Mok Lee (appointed on 1 April 2024) | – | – | 19,500 | 19,500 |
| Sharon Yeoh Kar Choo (retired on 27 March 2024) | – | – | 6,500 | 6,500 |
| Total | 536,112 | 27,244 | 80,000 | 643,356 |
| **2023** | | | | |
| Kenny Yap Kim Lee | 220,616 | – | – | 220,616 |
| Yap Kok Cheng | 288,444 | 26,910 | – | 315,354 |
| Soong Wee Choo | – | – | 28,000 | 28,000 |
| Sharon Yeoh Kar Choo | – | – | 26,000 | 26,000 |
| Ling Kai Huat | – | – | 26,000 | 26,000 |
| Total | 509,060 | 26,910 | 80,000 | 615,970 |

## 22 Earnings (Loss) per share

| | Group 2024 | Group 2023 |
|---|---|---|
| Profit (Loss) attributable to equity holders of the Company ($) | 356,656 | (9,276,853) |
| Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share | 113,526,467 | 113,526,467 |
| Basic earnings (loss) per share (cents) | 0.31 | (8.17) |

The calculation of basic earnings (loss) per share at 31 December was based on profit (loss) attributable to owners of the Company and the weighted average number of ordinary shares outstanding.

The Group has no dilution in its earnings (loss) per share at 31 December 2024 and 31 December 2023.

# Notes to the Financial Statements (Cont'd)

## 23 Dividends

| | Group and Company 2024 $ | Group and Company 2023 $ |
|---|---|---|
| Final dividend paid of 0.3 cents per share (one-tier tax exempt) in respect of the year ended 31 December 2023 | 340,579 | – |
| Final dividend paid of 0.3 cents per share (one-tier tax exempt) in respect of the year ended 31 December 2022 | – | 340,579 |

The directors have proposed a final dividend of $0.004 (2023: $0.003) per ordinary share, one-tier exempt, totalling $454,106 (2023: $340,579) in respect of the financial year ended 31 December 2024. This proposed final tax exempt dividend has not been recognised as at year end and will be submitted for shareholders' approval at the forthcoming Annual General Meeting of the Company in 2025.

During the financial year, there was dividend paid by a subsidiary to non-controlling interests amounting to $159,600 (2023: $184,800).

## 24 Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

***Key management personnel compensation***

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the authorities of the entity. The directors are considered as key management personnel of the Group.

Key management personnel compensation comprised:

| | Group 2024 $ | Group 2023 $ |
|---|---|---|
| Short-term employee benefits | | |
| - directors of the Company | 643,356 | 615,970 |
| - other key management personnel | 2,147,318 | 1,988,815 |
| | 2,790,674 | 2,604,785 |



## 24 Significant related party transactions (continued)

***Other related party transactions***

Other than disclosed elsewhere in the financial statements, the transactions with related parties at terms agreed between the parties, are as follows:

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Sales to subsidiaries | – | – | 1,986,653 | 3,438,051 |
| Purchases from subsidiaries | – | – | 2,725,476 | 2,838,351 |

## 25 Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products. For each of the strategic business units, the Group's Executive Chairman and Chief Executive Officer reviews internal management reports on a monthly basis.

The Group's reportable operating segments are as follows:

(i) Fish – includes fish farming, breeding, distribution and trading of ornamental fish and aquaculture products;

(ii) Accessories – includes manufacturing and distribution of aquarium and pet accessories;

(iii) Plastics – includes manufacturing and distribution of plastic bags; and

(iv) Others – includes corporate office and consolidation adjustments which are not directly attributable to a particular business segment above.

The accounting policies of the reportable segments are the same as described in Note 3.17. Information regarding the results of each reportable segment is included below. Performance is measured based on profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Chairman and Chief Executive Officer. Profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Certain financing costs are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on mutually agreed terms.

Segment expenditure for non-current assets is the total cost incurred during the financial year to acquire segment assets that are expected to be used for more than one year.

# Notes to the Financial Statements (Cont'd)

## 25 Operating segments (continued)

### Information about reportable segments

| | Fish $'000 | Accessories $'000 | Plastics $'000 | Others $'000 | Total $'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| **Group** | | | | | |
| **Revenue** | | | | | |
| External revenue | 29,324 | 34,032 | 8,062 | – | 71,418 |
| Inter-segment revenue | 2,930 | 6,536 | 130 | (9,596) | – |
| Total revenue | 32,254 | 40,568 | 8,192 | (9,596) | 71,418 |
| **Results** | | | | | |
| EBITDA* | 3,124 | 2,409 | 1,538 | (3,180) | 3,891 |
| Depreciation and amortisation | (1,125) | (1,403) | (511) | (46) | (3,085) |
| Interest expense | (13) | (76) | (39) | (227) | (355) |
| Interest income | 62 | 89 | – | 18 | 169 |
| Profit before tax | 2,048 | 1,019 | 988 | (3,435) | 620 |
| Tax expense | (145) | (31) | – | (27) | (203) |
| Profit for the year | 1,903 | 988 | 988 | (3,462) | 417 |
| **Assets and liabilities** | | | | | |
| Segment assets | 21,776 | 26,407 | 5,672 | 4,194 | 58,049 |
| Segment liabilities | 5,245 | 4,065 | 1,530 | 5,166 | 16,006 |
| **Other segment information** | | | | | |
| Expenditure for non-current assets** | 657 | 174 | 43 | 1,684 | 2,558 |
| *Other non-cash items:* | | | | | |
| Bad trade receivables written off | 10 | – | – | – | 10 |
| Gain on disposal of property, plant and equipment | – | (6) | – | – | (6) |
| Gain on derecognition of right-of-use assets and lease liabilities | – | (3) | – | – | (3) |
| Property, plant and equipment written off | 42 | 13 | – | – | 55 |
| Impairment loss (Reversal of impairment loss) on trade receivables | 211 | (27) | – | – | 184 |
| Net change in fair value of | | | | | |
| - biological assets | (17) | – | – | – | (17) |
| - financial asset at FVTPL | – | – | – | (73) | (73) |

* *EBITDA – Earnings (Loss) Before Interest, Taxation, Depreciation and Amortisation*
** *This includes capital expenditure and additions to other non-current assets*
*** *Amount less than $1,000*



## 25 Operating segments (continued)

### Information about reportable segments (continued)

| | Fish $'000 | Accessories $'000 | Plastics $'000 | Others $'000 | Total $'000 |
|---|---|---|---|---|---|
| **2023** | | | | | |
| **Group** | | | | | |
| **Revenue** | | | | | |
| External revenue | 27,646 | 34,650 | 8,018 | – | 70,314 |
| Inter-segment revenue | 2,872 | 8,689 | 175 | (11,736) | – |
| Total revenue | 30,518 | 43,339 | 8,193 | (11,736) | 70,314 |
| **Results** | | | | | |
| EBITDA* | (4,163) | 248 | 1,386 | (3,115) | (5,644) |
| Depreciation and amortisation | (1,183) | (1,268) | (518) | (46) | (3,015) |
| Interest expense | (8) | (70) | (37) | (336) | (451) |
| Interest income | 65 | 33 | – | 43 | 141 |
| (Loss) Profit before tax | (5,289) | (1,057) | 831 | (3,454) | (8,969) |
| Tax expense | (111) | (8) | – | (38) | (157) |
| (Loss) Profit for the year | (5,400) | (1,065) | 831 | (3,492) | (9,126) |
| **Assets and liabilities** | | | | | |
| Segment assets | 21,360 | 28,021 | 5,964 | 3,588 | 58,933 |
| Segment liabilities | 4,264 | 5,197 | 2,087 | 5,653 | 17,201 |
| **Other segment information** | | | | | |
| Expenditure for non-current assets** | 454 | 174 | 121 | – | 749 |
| *Other non-cash items:* | | | | | |
| Bad trade receivables written off | 32 | 16 | 1 | – | 49 |
| (Gain) Loss on disposal of property, plant and equipment | (47) | *** | 3 | – | (44) |
| Loss on biological assets | 7,391 | – | – | – | 7,391 |
| Gain on derecognition of right-of-use assets and lease liabilities | – | (13) | – | – | (13) |
| Property, plant and equipment written off | *** | – | – | – | *** |
| Impairment loss on trade receivables | 137 | 17 | – | – | 154 |
| Allowance for inventory obsolescence | – | 1,518 | – | – | 1,518 |
| Net change in fair value of financial asset at FVTPL | – | – | – | (330) | (330) |

* *EBITDA – Earnings (Loss) Before Interest, Taxation, Depreciation and Amortisation*
** *This includes capital expenditure and additions to other non-current assets*
*** *Amount less than $1,000*

### Geographical segments

Geographical segments are analysed by four principal geographical areas, namely Singapore, other Asian countries, Europe and Others (i.e. the rest of the world). In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers which the sales are made to regardless of where the sales originate. Segment non-current assets and segment assets are based on the geographical location of the assets.

# Notes to the Financial Statements (Cont'd)

**25 Operating segments (continued)**

**Information about reportable segments (continued)**

**Geographical Information**

| | Singapore $'000 | Other Asian countries $'000 | Europe $'000 | Others $'000 | Consolidated $'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| Revenue from external customers | 25,652 | 31,600 | 5,046 | 9,120 | 71,418 |
| Segment non-current assets | 9,989 | 5,274 | – | – | 15,263 |
| Segment assets | 37,054 | 20,995 | – | – | 58,049 |
| **2023** | | | | | |
| Revenue from external customers | 26,849 | 29,858 | 4,667 | 8,940 | 70,314 |
| Segment non-current assets | 11,032 | 4,368 | – | – | 15,400 |
| Segment assets | 37,518 | 21,415 | – | – | 58,933 |

**Major customers**

There are no customers contributing more than 10 percent to the revenue of the Group.

**26 Financial risk management**

***Overview***

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

***Credit risk***

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of trade and other receivables.

At the reporting date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Impairment losses on financial assets recognised in profit or loss were as follows:

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Impairment loss on trade receivables | 183,687 | 154,010 | 147,306 | 170,036 |



**26 Financial risk management (continued)**

**Trade receivables**

*Exposure to credit risk*

A summary of the Group's and the Company's exposures to credit risk for trade receivables is as follows:

| | 2024 Not credit-impaired $ | 2024 Credit-impaired $ | 2023 Not credit-impaired $ | 2023 Credit-impaired $ |
|---|---|---|---|---|
| **Group** | | | | |
| - Four or more years' trading history with the Group* | 9,828,943 | – | 9,510,600 | – |
| - Less than four years' trading history with the Group* | 1,353,090 | – | 1,227,932 | – |
| - Higher risk | 557,772 | 906,482 | 420,492 | 1,043,418 |
| **Total gross carrying amount** | 11,739,805 | 906,482 | 11,159,024 | 1,043,418 |
| Loss allowance | (557,772) | (906,482) | (420,492) | (1,043,418) |
| | 11,182,033 | – | 10,738,532 | – |
| **Company** | | | | |
| - Four or more years' trading history with the Group* | 6,073,522 | – | 5,546,381 | – |
| - Less than four years' trading history with the Group* | 594,835 | – | 791,265 | – |
| - Higher risk | 289,471 | 491,529 | 183,212 | 636,788 |
| **Total gross carrying amount** | 6,957,828 | 491,529 | 6,520,858 | 636,788 |
| Loss allowance | (289,471) | (491,529) | (183,212) | (636,788) |
| | 6,668,357 | – | 6,337,646 | – |

* *Excluding 'higher risk'*

*Expected credit loss assessment for customers*

The Group uses an allowance matrix to measure the ECLs of trade receivables from customers, which comprise a very large number of small balances.

The allowance matrix is based on actual credit loss experience over the past three years. The ECL computed is purely derived from historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date.

# Notes to the Financial Statements (Cont'd)

**26 Financial risk management (continued)**

***Credit risk* (continued)**

**Trade receivables (continued)**

The following table provides information about the exposure to credit risk and ECLs for trade receivables for customers:

| | Weighted average loss rate % | Gross carrying amount $ | Impairment loss allowance $ | Credit impaired |
|---|---|---|---|---|
| **Group** | | | | |
| **2024** | | | | |
| Within 1 month (invoices issued) | 0.00 | 4,787,382 | – | No |
| Within 1 – 2 months | 0.00 | 2,951,640 | – | No |
| Within 2 – 3 months | 0.00 | 1,819,890 | – | No |
| Within 3 – 4 months | 0.00 | 842,241 | – | No |
| More than 4 months | 65.22 | 2,245,134 | 1,464,254 | Yes |
| | | 12,646,287 | 1,464,254 | |
| **2023** | | | | |
| Within 1 month (invoices issued) | 0.00 | 4,285,529 | – | No |
| Within 1 – 2 months | 0.00 | 2,586,099 | – | No |
| Within 2 – 3 months | 0.00 | 2,425,212 | – | No |
| Within 3 – 4 months | 0.00 | 619,326 | – | No |
| More than 4 months | 64.03 | 2,286,276 | 1,463,910 | Yes |
| | | 12,202,442 | 1,463,910 | |
| **Company** | | | | |
| **2024** | | | | |
| Within 1 month (invoices issued) | 0.00 | 2,497,238 | – | No |
| Within 1 – 2 months | 0.00 | 1,780,635 | – | No |
| Within 2 – 3 months | 0.00 | 1,302,418 | – | No |
| Within 3 – 4 months | 0.00 | 575,934 | – | No |
| More than 4 months | 60.40 | 1,293,132 | 781,000 | Yes |
| | | 7,449,357 | 781,000 | |
| **2023** | | | | |
| Within 1 month (invoices issued) | 0.00 | 2,453,866 | – | No |
| Within 1 – 2 months | 0.00 | 1,334,018 | – | No |
| Within 2 – 3 months | 0.00 | 1,745,032 | – | No |
| Within 3 – 4 months | 0.00 | 428,428 | – | No |
| More than 4 months | 68.54 | 1,196,302 | 820,000 | Yes |
| | | 7,157,646 | 820,000 | |



**26 Financial risk management (continued)**

***Credit risk* (continued)**

**Trade receivables (continued)**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 $ | 2023 $ | 2024 $ | 2023 $ |
| Balance at 1 January | 1,463,910 | 1,557,036 | 820,000 | 887,000 |
| Impairment loss | 183,687 | 154,010 | 147,306 | 170,036 |
| Amounts written off against impairment loss made | (196,001) | (237,036) | (186,306) | (237,036) |
| Translation differences on consolidation | 12,658 | (10,100) | – | – |
| Balance at 31 December | 1,464,254 | 1,463,910 | 781,000 | 820,000 |

**Non-listed debt instrument - convertible loan**

The Group uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of risk of default (including but not limited to audited financial statements, management accounts and available press information). There is no significant increase in credit risk for the exposure.

**Non-trade amounts due from subsidiaries**

The Company held non-trade receivables from its subsidiaries of $3,188,560 (2023: $2,892,703). These balances are amounts lent to subsidiaries to satisfy short term funding requirements. The Company uses a similar approach for assessment of ECLs for these receivables to those used for other receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

**Cash and cash equivalents**

The Group and Company held cash and cash equivalents of $14,631,327 and $7,720,877 at 31 December 2024 (2023: $15,546,221 and $8,168,917). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Baa1 to Aa1, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for other receivables.

***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

# Notes to the Financial Statements (Cont'd)

**26 Financial risk management (continued)**

***Market risk***

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

***Foreign currency risk***

The Group incurs foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than Singapore dollars. The currencies giving rise to this risk are primarily the United States Dollar (US Dollar), Euro, Malaysian Ringgit, Thai Baht and Chinese Renminbi.

There is no formal hedging policy with respect to foreign currency exposure. Exposure to foreign currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.

*Sensitivity analysis*

A 10% strengthening of Singapore dollar against the following currencies at the reporting date would increase/(decrease) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| | Group $ | Company $ |
|---|---|---|
| **31 December 2024** | | |
| US Dollar | (739,004) | (556,770) |
| Euro | (16,224) | (6,722) |
| Australian Dollar | 2,187 | – |
| Malaysian Ringgit | (3,522) | (2,452) |
| Chinese Renminbi | 41,000 | 35,082 |
| New Taiwan Dollar | 14,837 | 8,356 |
| **31 December 2023** | | |
| US Dollar | (575,805) | (399,195) |
| Euro | (8,889) | 297 |
| Australian Dollar | 2,201 | 2,201 |
| Malaysian Ringgit | 1,148 | (1,713) |
| Thai Baht | 51,633 | 53,945 |
| Chinese Renminbi | 11,261 | 13,238 |
| New Taiwan Dollar | 9,203 | 9,203 |
| Indonesian Rupiah | 7,109 | 7,109 |

A 10% weakening of Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

***Business risk***

The main risk arising from the Group's livestock is business risk. The Group has institutionalised a comprehensive health management and quarantine system for all its domestic and overseas operations to ensure a consistently high standard of good healthcare management and hygiene for its livestock.



**26 Financial risk management (continued)**

***Market risk*** **(continued)**

***Interest rate risk***

The Group's exposure to interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group obtains additional financing through bank borrowings and finance lease arrangements. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

The following table sets out the carrying amounts as at 31 December, by maturity or repricing, whichever is earlier, of the financial instruments of the Group and the Company that are exposed to interest rate risk:

| | Within 1 year $ | 1 to 5 years $ | More than 5 years $ | Total $ |
|---|---|---|---|---|
| **Group** | | | | |
| **2024** | | | | |
| **Financial liabilities** | | | | |
| ***Fixed rate*** | | | | |
| Bills payable to banks | 73,511 | – | – | 73,511 |
| Lease liabilities | 1,337,201 | 526,818 | – | 1,864,019 |
| ***Floating rate*** | | | | |
| Bank term loans | 4,500,000 | – | – | 4,500,000 |
| **2023** | | | | |
| **Financial liabilities** | | | | |
| ***Fixed rate*** | | | | |
| Lease liabilities | 1,387,150 | 1,562,395 | – | 2,949,545 |
| ***Floating rate*** | | | | |
| Bank term loans | 5,000,000 | – | – | 5,000,000 |
| **Company** | | | | |
| **2024** | | | | |
| **Financial liabilities** | | | | |
| ***Fixed rate*** | | | | |
| Lease liabilities | 139,011 | 105,712 | – | 244,723 |
| ***Floating rate*** | | | | |
| Bank term loans | 4,500,000 | – | – | 4,500,000 |
| **2023** | | | | |
| **Financial liabilities** | | | | |
| ***Fixed rate*** | | | | |
| Lease liabilities | 125,682 | 216,920 | – | 342,602 |
| ***Floating rate*** | | | | |
| Bank term loans | 5,000,000 | – | – | 5,000,000 |

# Notes to the Financial Statements (Cont'd)

**26 Financial risk management (continued)**

***Market risk* (continued)**

***Interest rate risk (continued)***

*Sensitivity analysis*

*Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at reporting date would not affect profit or loss.

*Cash flow sensitivity analysis for variable rate instruments*

For the variable rate financial assets and liabilities, a change of 100 basis point (bp) in interest rate at the reporting date would increase/(decrease) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

| | Profit or Loss | |
|---|---|---|
| | 100 bp Increase $ | 100 bp Decrease $ |
| **Group** | | |
| **31 December 2024** | | |
| Floating rate instruments | (45,000) | 45,000 |
| **31 December 2023** | | |
| Floating rate instruments | (50,000) | 50,000 |
| **Company** | | |
| **31 December 2024** | | |
| Floating rate instruments | (45,000) | 45,000 |
| **31 December 2023** | | |
| Floating rate instruments | (50,000) | 50,000 |

*Intra-group financial guarantees*

The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given to its subsidiaries or related parties.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

The intra-group financial guarantees are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligations arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

Intra-group financial guarantees comprise guarantees granted by the Company to banks in respect of banking facilities amounting to approximately $5.0 million (2023: $1.6 million).



**26 Financial risk management (continued)**

*Accounting classifications and fair values*

The carrying amounts of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | Mandatorily at FVTPL $ | Amortised cost $ | Other financial liabilities $ | Total carrying amount $ |
|---|---|---|---|---|
| **Group** | | | | |
| **2024** | | | | |
| **Financial assets** | | | | |
| Financial asset at FVTPL | 1,451,687 | – | – | 1,451,687 |
| Trade and other receivables[#] | – | 13,368,455 | – | 13,368,455 |
| Cash and cash equivalents | – | 14,631,327 | – | 14,631,327 |
| | 1,451,687 | 27,999,782 | – | 29,451,469 |
| **Financial liabilities** | | | | |
| Lease liabilities | – | – | (1,864,019) | (1,864,019) |
| Bank term loans | – | – | (4,500,000) | (4,500,000) |
| Bills payable to banks | – | – | (73,511) | (73,511) |
| Trade and other payables* | – | – | (6,200,593) | (6,200,593) |
| | – | – | (12,638,123) | (12,638,123) |
| **2023** | | | | |
| **Financial assets** | | | | |
| Financial asset at FVTPL | 1,379,181 | – | – | 1,379,181 |
| Trade and other receivables[#] | – | 13,191,383 | – | 13,191,383 |
| Cash and cash equivalents | – | 15,546,221 | – | 15,546,221 |
| | 1,379,181 | 28,737,604 | – | 30,116,785 |
| **Financial liabilities** | | | | |
| Lease liabilities | – | – | (2,949,545) | (2,949,545) |
| Bank term loans | – | – | (5,000,000) | (5,000,000) |
| Trade and other payables* | – | – | (5,572,129) | (5,572,129) |
| | – | – | (13,521,674) | (13,521,674) |

# Notes to the Financial Statements (Cont'd)

## 26 Financial risk management (continued)

*Accounting classifications and fair values* (continued)

| | Mandatorily at FVTPL $ | Amortised cost $ | Other financial liabilities $ | Total carrying amount $ |
|---|---|---|---|---|
| **Company** | | | | |
| **2024** | | | | |
| **Financial assets** | | | | |
| Financial asset at FVTPL | 1,451,687 | – | – | 1,451,687 |
| Trade and other receivables# | – | 20,825,698 | – | 20,825,698 |
| Cash and cash equivalents | – | 7,720,877 | – | 7,720,877 |
| | 1,451,687 | 28,546,575 | – | 29,998,262 |
| **Financial liabilities** | | | | |
| Lease liabilities | – | – | (244,723) | (244,723) |
| Bank term loans | – | – | (4,500,000) | (4,500,000) |
| Trade and other payables* | – | – | (5,621,023) | (5,621,023) |
| | – | – | (10,365,746) | (10,365,746) |
| **2023** | | | | |
| **Financial assets** | | | | |
| Financial asset at FVTPL | 1,379,181 | – | – | 1,379,181 |
| Trade and other receivables# | – | 21,400,382 | – | 21,400,382 |
| Cash and cash equivalents | – | 8,168,917 | – | 8,168,917 |
| | 1,379,181 | 29,569,299 | – | 30,948,480 |
| **Financial liabilities** | | | | |
| Lease liabilities | – | – | (342,602) | (342,602) |
| Bank term loans | – | – | (5,000,000) | (5,000,000) |
| Trade and other payables* | – | – | (5,618,439) | (5,618,439) |
| | – | – | (10,961,041) | (10,961,041) |

\# *Excludes prepayments and advances to suppliers.*
* *Excludes advance received from customers and accrued staff costs.*

## 27 Measurement of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumption made in determining fair value is disclosed in the notes specific to that asset or liability.

*Interest-bearing bank loans*

The carrying value of interest-bearing bank loans that reprice within six months of the reporting date is assumed to approximate their fair values. The carrying amounts of the term loans also approximate fair value as it is subject to floating interest rates which in turn approximate the current market interest rate for similar loan at reporting date.



## 27 Measurement of fair values (continued)

*Other financial assets and liabilities*

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, bills payable to banks and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

*Biological assets - breeder stocks*

Breeder stocks are farm-raised marble goby grown to biomass ready for harvest. As at the reporting date, these stocks are measured based on their fair value with any change therein recognised in profit or loss. The fair value is determined based on the biomass volume, size distribution of similar fishes that can be purchased from suppliers as at the reporting date.

*Non-listed debt instrument - convertible loan*

The fair value of the financial asset is its expected value based on the probability weighted average present value of expected future net cash flows, considering each of the possible future events and the terms under the various situations.

**Fair value hierarchy**

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Level 1 $ | Level 2 $ | Level 3 $ | Total $ |
|---|---|---|---|---|
| **Group** | | | | |
| **31 December 2024** | | | | |
| Biological assets (Breeder stocks) | – | – | 41,753 | 41,753 |
| Financial assets at FVTPL (Unsecured Convertible Loan) | – | – | 1,451,687 | 1,451,687 |
| | – | – | 1,493,440 | 1,493,440 |
| **31 December 2023** | | | | |
| Financial assets at FVTPL (Unsecured Convertible Loan) | – | – | 1,379,181 | 1,379,181 |
| **Company** | | | | |
| **31 December 2024** | | | | |
| Financial assets at FVTPL (Unsecured Convertible Loan) | – | – | 1,451,687 | 1,451,687 |
| **31 December 2023** | | | | |
| Financial assets at FVTPL (Unsecured Convertible Loan) | – | – | 1,379,181 | 1,379,181 |

The entity's policy is to recognise transfers out of Level 3 as of the end of the reporting period during which the transfer occurred.

# Notes to the Financial Statements (Cont'd)

**27 Measurement of fair values (continued)**

The following table shows the key unobservable inputs used in the valuation models:

| Type | Key unobservable inputs | Inter-relationship between key unobservable inputs and fair value measurement |
|---|---|---|
| **Biological assets** | | |
| Breeder stocks | • Biomass volume and size<br>• Estimated market price | The estimated fair value would increase (decrease) if biomass volume, size and estimated market price was higher (lower). |
| **Financial asset of FVTPL** | | |
| Unsecured convertible loan | • Discount rate<br>• Probability of future events relating to the convertible loan | The estimated fair value would increase (decrease) if the discount rate was lower (higher). |

**Valuation processes applied by the Group**

The assessment of fair value of breeder stocks is performed by the Group's finance department and operations team on a quarterly basis. The finance department reports to the Group's Finance Director (FD).

**Level 3 recurring fair values**

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

| | Unsecured convertible loan 2024 $ | Unsecured convertible loan 2023 $ |
|---|---|---|
| **Group and Company** | | |
| At 1 January | 1,379,181 | 1,049,660 |
| Net change in fair value | 72,506 | 329,521 |
| At 31 December | 1,451,687 | 1,379,181 |

**28 Leases**

**Leases as lessee**

The Group leases offices, warehouses, factories, retail spaces, farm facilities, office equipment and motor vehicles. The leases typically run for a period of three to five years, with an option to renew the lease after that date. Lease payments are renegotiated upon renewal to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The warehouse and factory leases were entered into many years ago as combined leases of land and buildings.

The Group leases IT equipment and certain properties with contract terms of one year. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.



**28 Leases (continued)**

Information about leases for which the Group is a lessee is presented below.

| | Leasehold land and buildings $ | Furniture, fittings and office equipment $ | Total $ |
|---|---|---|---|
| **Group** | | | |
| Balance at 1 January 2023 | 1,542,244 | 52,724 | 1,594,968 |
| Additions to right-of-use assets | 3,352,920 | 8,478 | 3,361,398 |
| Depreciation charge for the year | (1,238,108) | (23,067) | (1,261,175) |
| Derecognition to right-of-use assets | (846,992) | – | (846,992) |
| Translation difference on consolidation | (42,703) | – | (42,703) |
| **Balance at 31 December 2023** | 2,767,361 | 38,135 | 2,805,496 |
| Balance at 1 January 2024 | 2,767,361 | 38,135 | 2,805,496 |
| Depreciation charge for the year | (1,497,425) | (20,531) | (1,517,956) |
| Additions to right-of-use assets | 369,487 | – | 369,487 |
| Derecognition to right-of-use assets | (18,467) | – | (18,467) |
| Translation difference on consolidation | 27,235 | – | 27,235 |
| **Balance at 31 December 2024** | 1,648,191 | 17,604 | 1,665,795 |
| **Company** | | | |
| Balance at 1 January 2023 | 247,394 | 44,877 | 292,271 |
| Additions to right-of-use assets | 265,921 | 8,478 | 274,399 |
| Depreciation charge for the year | (109,057) | (20,214) | (129,271) |
| Derecognition to right-of-use assets | (164,929) | – | (164,929) |
| **Balance at 31 December 2023** | 239,329 | 33,141 | 272,470 |
| Balance at 1 January 2024 | 239,329 | 33,141 | 272,470 |
| Depreciation charge for the year | (104,090) | (17,677) | (121,767) |
| **Balance at 31 December 2024** | 135,239 | 15,464 | 150,703 |

**Amounts recognised in profit or loss**

| | 2024 $ | 2023 $ |
|---|---|---|
| Interest on lease liabilities | 126,315 | 111,305 |
| Expenses relating to short-term leases | 292,047 | 141,020 |

**Amounts recognised in statement of cash flows**

| | 2024 $ | 2023 $ |
|---|---|---|
| Total cash outflow for leases | 1,894,895 | 1,589,618 |

# Notes to the Financial Statements (Cont'd)

**28 Leases (continued)**

**Extension options**

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

**29 Commitments**

There were the following commitments as at the reporting date:

(i) In December 2021, the Company obtained approval from the relevant authorities for the increase in the registered capital of its wholly owned subsidiary, GZQH, by approximately USD1.0 million (equivalent to $1.37 million). As at 31 December 2024, the Company has not made any capital contribution into this subsidiary.

(ii) The Group has entered into a Sale and Purchase Agreement on 12 March 2024 with an independent and unrelated third party on the acquisition of a property under construction in Malaysia at a purchase consideration of RM14.5 million (approximately $4.1 million). As at 31 December 2024, the Group has paid approximately RM4.7 million (approximately $1.5 million) of the purchase consideration.



# Statistics of Shareholdings

As at 10 February 2025

| | | |
|---|---|---|
| Class of Shares | : | Ordinary shares |
| Number of Shares Issued | : | 113,526,467 |
| Issued and Fully Paid-Up Capital | : | $30,772,788 |
| Voting Rights | : | On a poll - One vote for each ordinary share |
| Number of Treasury Shares | : | Nil |

**Analysis of Shareholders**

| Size of Shareholdings | No. of Shareholders | % of Shareholders | No. of Shares | % of Issued Share Capital |
|---|---|---|---|---|
| 1 - 99 | 249 | 11.70 | 9,742 | 0.01 |
| 100 - 1,000 | 421 | 19.78 | 195,261 | 0.17 |
| 1,001 - 10,000 | 889 | 41.78 | 4,014,119 | 3.54 |
| 10,001 - 1,000,000 | 549 | 25.80 | 27,415,349 | 24.15 |
| 1,000,001 and above | 20 | 0.94 | 81,891,996 | 72.13 |
| **Total** | **2,128** | **100.00** | **113,526,467** | **100.00** |

**Substantial Shareholders**

| | | Shareholdings registered in the name of the substantial shareholders | | Shareholdings held by substantial shareholders in the name of nominees | |
|---|---|---|---|---|---|
| | Name of Substantial Shareholder | No. of Shares | % | No. of Shares | % |
| 1 | Yap Kim Lee Kenny | 7,794,600 | 6.87 | – | – |
| 2 | Yap Ah Seng Alvin | 7,777,038 | 6.85 | – | – |
| 3 | Yap Ah Siong Andy | 7,750,900 | 6.83 | – | – |
| 4 | Yap Kim Chuan | 7,750,898 | 6.83 | – | – |
| 5 | Yap Hock Huat | 6,825,900 | 6.01 | – | – |
| 6 | Yap Ping Heng | 6,825,900 | 6.01 | – | – |
| 7 | Ang Hao Yao (Hong Haoyao) | 5,872,240 | 5.17 | – | – |

**Twenty Largest Shareholders**

| No. | Name of Shareholder | No. of Shares | % of Issued Share Capital |
|---|---|---|---|
| 1 | Yap Kim Lee Kenny | 7,794,600 | 6.87 |
| 2 | Yap Ah Seng Alvin | 7,777,038 | 6.85 |
| 3 | Yap Ah Siong Andy | 7,750,900 | 6.83 |
| 4 | Yap Kim Chuan | 7,750,898 | 6.83 |
| 5 | Yap Hock Huat | 6,825,900 | 6.01 |
| 6 | Yap Ping Heng | 6,825,900 | 6.01 |
| 7 | Ang Hao Yao (Hong Haoyao) | 5,872,240 | 5.17 |
| 8 | Simon Seah Seow Kee | 4,682,950 | 4.12 |
| 9 | Maybank Securities Pte. Ltd. | 4,532,664 | 3.99 |
| 10 | Est Of Yap Kim Choon, Dec'D | 3,925,000 | 3.46 |
| 11 | Yap Suhui | 3,825,900 | 3.37 |
| 12 | Yap Chew Ring | 2,424,475 | 2.14 |
| 13 | Choo Chee Kiong | 2,200,000 | 1.94 |
| 14 | Ang Kim Sua | 1,723,500 | 1.52 |
| 15 | Wong Bei Keen | 1,527,500 | 1.35 |
| 16 | Yap Hey Cha | 1,513,000 | 1.33 |
| 17 | Tan Boon Kim | 1,330,581 | 1.17 |
| 18 | Lim Yew Hoe | 1,293,750 | 1.14 |
| 19 | Royal Inst Of Construction Economists Pte Ltd | 1,225,200 | 1.08 |
| 20 | Lim Peng Chuan | 1,090,000 | 0.96 |
| | | **81,891,996** | **72.14** |

**Shareholding Held in the Hands of Public**

Based on information provided, to the best knowledge of the Directors and the substantial shareholders of the Company, 44.72% of the issued share share capital of the Company was held in the hands of the public as at 10 February 2025. Accordingly, Rule 723 of the Singapore Exchange Listing Manual has been complied with.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting ("**AGM**") of Qian Hu Corporation Limited (the "**Company**") will be held at No. 71 Jalan Lekar, Singapore 698950 on Thursday, 3 April 2025, at 11.00 a.m. to transact the following business:

**Ordinary Business**

1 To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024 and the Auditors' Report thereon. **[Resolution 1]**

2 To declare a tax exempt (one-tier) final dividend of 0.4 Singapore cents per ordinary share for the financial year ended 31 December 2024. **[Resolution 2]**

3 To re-elect Ms Chew Mok Lee in accordance with Regulation 90 of the Company's Constitution, as Director of the Company.
**[See Explanatory Note (a)]** **[Resolution 3]**

4 To re-elect Mr Yap Kok Cheng in accordance with Regulation 91 of the Company's Constitution, as Director of the Company.
**[See Explanatory Note (b)]** **[Resolution 4]**

5 To note the retirement of Dr Ling Kai Huat pursuant to Rule 210(5)(d)(iv) of the Listing Manual.
**[See Explanatory Note (c)]**

6 To approve the sum of S$80,000 as Directors' fees for the financial year ended 31 December 2024. (2023: S$80,000) **[Resolution 5]**

7 To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 6]**

8 To transact any other business that may be transacted at an Annual General Meeting.

**Special Business**

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:-

9 **General Mandate to authorise the Directors to issue shares or convertible securities**

That pursuant to Section 161 of the Companies Act 1967 (the "**Act**"), the Constitution and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:-

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force):

(i) issue additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or such additional Instruments in (b)(i) above,

Provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares issued other than on a pro rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below); and

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:-

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
**[See Explanatory Note (d)]** **[Resolution 7]**

By Order of the Board

Lai Chin Yee
Company Secretary

Singapore
5 March 2025

# Notice of Annual General Meeting (Cont'd)

**Explanatory Notes:**

(a) Ordinary Resolution 3 – Ms Chew Mok Lee, if re-elected, will remain as a member of the Company's Audit & Risk Management Committee and Remuneration Committee and the Chairperson of the Nominating Committee. Ms Chew Mok Lee is considered as an Independent Director of the Company. Pursuant to Rule 720(6) of the Listing Manual, further information on Ms Chew Mok Lee is set out on Pages 201 to 206 of the Company's Annual Report 2024. There are no relationships (including immediate family relationships) between Ms Chew Mok Lee and the other Directors of the Company, the Company or its substantial shareholders.

(b) Ordinary Resolution 4 – Mr Yap Kok Cheng, if re-elected, will remain as the Executive Chairman and Chief Executive Officer of the Company. Detailed information on Mr Yap Kok Cheng is set out on Pages 201 to 206 of the Company's Annual Report 2024. Save as disclosed therein, there are no other relationships (including immediate family relationships) between Mr Yap Kok Cheng and the other Directors of the Company, the Company or its substantial shareholders.

(c) Item 5 is to record the retirement of Dr Ling Kai Huat as a Director of the Company. Dr Ling Kai Huat has served as an Independent Director of the Company for more than nine years from the date of his first appointment and will cease to be independent and retire as a Director at the conclusion of the AGM. He will cease to be an Independent Director of the Company and concurrently vacate his positions on the Audit & Risk Management Committee, Nominating Committee and Remuneration Committee of the Company.

(d) Ordinary Resolution 7, under item 9 above, if passed, will empower the Directors from the date of the AGM until the date of the next AGM of the Company, to issue shares and convertible securities in the Company up to an aggregate number not exceeding 50% of the total number of issued shares excluding treasury shares and subsidiary holdings in the capital of the Company, of which the aggregate number issued other than on a pro rata basis to all existing shareholders of the Company shall not exceed 10% of the total number of issued shares excluding treasury shares and subsidiary holdings in the capital of the Company, as more particularly set out in the resolution.

**Notes:**

1. The members of the Company are invited to **attend physically** at the Twenty-Sixth AGM. There will be no option for members to participate virtually. A printed copy of this notice of AGM (the "**Notice**") will be sent to the members. Printed copy of the Company's annual report ("**AR**") is made available to members by electronic means via publication on the Company's website at the URL http://www.qianhu.com/investor-relations/annual-reports under "Annual Report 2024" and is also made available on SGXNet at the URL https://www.sgx.com/securities/company-announcements. Members have the right to elect whether to receive the AR in physical copy by completing the Request Form sent together with the Notice.

2. Members (including Central Provident Fund Investment Scheme members ("**CPFIS Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**") may participate in the AGM by:

   (a) attending the AGM in person;
   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
   (c) voting at the AGM
       (i) themselves personally; or
       (ii) through their duly appointed proxy(ies).

   CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 21 March 2025**, being seven (7) working days prior to the date of the AGM.

   Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appoint / appoint a proxy(ies) to attend the Meeting.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

   Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.



4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, 1967:

   (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

   If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:

   (a) If submitted by post, be lodged at the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896

   (b) If submitted electronically, be submitted via email to B.A.C.S. Private Limited at main@zicoholdings.com

   In either case, by 11.00 am on 31 March 2025, being no later than 72 hours before the time set for the AGM.

7. The Chairman of the AGM, as proxy, need not be a member of the Company.

8. Members submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner by 5.00 p.m. on 21 March 2025:

   (a) by email to investor@qianhu.com

   (b) by post to the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896

   The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's corporate website and on SGXNet by 11.00 am on 27 March 2025.

9. For questions addressed during the AGM, the responses to such questions will be included in the minutes of AGM which will be published on the Company's corporate website and on SGXNet within seven (7) working days after the AGM.

10. The Company's Annual Report 2024 dated 5 March 2025 has been published and may be accessed at the Company's corporate website at the URL http://www.qianhu.com/investor-relations/annual-reports under "Annual Report 2024" and is also made available on SGXNet at the URL https://www.sgx.com/securities/company-announcements.

11. The appointment of a proxy(ies) shall not preclude a member from attending, speaking and voting in person at the AGM. If a member attends the AGM in person, the appointment of a proxy(ies) shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy(ies) to the AGM.

# Notice of Annual General Meeting (Cont'd)

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing the Chairman of the AGM to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

## NOTICE OF RECORD DATE AND DIVIDEND PAYMENT DATE

**NOTICE IS HEREBY GIVEN** that the Register of Transfer and the Register of Members of the Company will be closed on 17 April 2025 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on 16 April 2025 will be registered to determine shareholders' entitlements to the said dividend.

Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares at 5.00 p.m. on 16 April 2025 will be entitled to the proposed dividend.

The proposed dividend, if approved by the members at the Twenty-Sixth AGM to be held on 3 April 2025, will be paid on 30 April 2025.



# Supplemental Information On Directors Seeking Re-election At The 26th Annual General Meeting

**[Pursuant to SGX-ST Listing Manual – Rule 720(6) and Appendix 7.4.1.]**

| Name of director | Ms Chew Mok Lee | Mr Yap Kok Cheng |
|---|---|---|
| Date of first appointment | 1 April 2024 | 1 April 2022 |
| Date of last re-appointment | - | 29 March 2023 |
| Age | 62 | 46 |
| Country of principal residence | Republic of Singapore | Republic of Singapore |
| Job Title | • Non-Executive Independent Director<br>• Chairperson of the Nominating Committee<br>• Member of the Audit & Risk Management Committee<br>• Member of the Remuneration Committee | • Executive Chairman & Chief Executive Officer ("**CEO**") |
| The Board's comments on the re-appointment | Ms Chew's extensive knowledge on business and regulatory issues will provide greater balance and diversity of skills, experience and knowledge that contribute towards the core competencies of the Board.<br><br>The Board considered the Nominating Committee's recommendation and assessment on Ms Chew's background, expertise, experiences, diversity of skillsets, independence and commitment in the discharge of her duties as an Independent Non-Executive Director of Qian Hu Corporation Limited ("**Qian Hu**") and is satisfied that she will continue to contribute meaningfully to the Board. | Mr Yap is currently the Executive Chairman & CEO of Qian Hu.<br><br>The Board considered the Nominating Committee's recommendation and assessment on Mr Yap's qualifications, expertise, business experience and knowledge in the discharge of his duties as an Executive Director and is satisfied that he will continue to contribute meaningfully to the Board. |
| Whether appointment is executive, and if so, the area of responsibility | Non-Executive | Executive<br><br>As the Executive Chairman and CEO of Qian Hu, Mr Yap's areas of responsibilities include, but not limit to, providing leadership to the Board, making major corporate decisions and managing the overall operations and resources of the Group. He also ensures the effectiveness of communication with all stakeholders. |

# Supplemental Information On Directors Seeking Re-election At The 26th Annual General Meeting

**[Pursuant to SGX-ST Listing Manual – Rule 720(6) and Appendix 7.4.1.]**

| Name of director | Ms Chew Mok Lee | Mr Yap Kok Cheng |
|---|---|---|
| Professional qualifications | • Master of Business Administration, Nanyang Fellows Programme-Executive MBA, Nanyang Technological University Singapore<br>• Master of Science, University of Strathclyde, United Kingdom<br>• Bachelor of Arts (Economics & Statistics), National University of Singapore | • Bachelor's degree in Commerce, University of New South Wales, Australia |
| Working experience and occupation(s) during the past 10 years | From 2021 – Present:<br>Enterprise Fellow, Enterprise Singapore<br><br>From 2018 – 2021:<br>Assistant Chief Executive (ICM & Digitalisation, Enterprise Services & New Industries), Enterprise Singapore<br><br>From 2015 – 2021:<br>Director (Singapore), Asian Productivity Organisation (APO)<br><br>From 2012 – 2018:<br>Assistant Chief Executive (Capabilities & Partnership), SPRING Singapore | From 2025 – Present<br>Executive Chairman & CEO, Qian Hu<br><br>From 2021 – Present<br>CEO, Qian Hu<br><br>From 2016 – 2020<br>General Manager (China Operations), Qian Hu<br><br>From 2005 – 2015<br>Management Trainee, Qian Hu |
| Shareholding interest in the listed issuer and its subsidiaries | Nil | 75,250 ordinary shares in Qian Hu (Deemed interest through spouse) |
| Relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries | Nil | • Son of substantial shareholder of Qian Hu – Mr Yap Hock Huat<br>• Nephew of substantial shareholders of Qian Hu – Mr Yap Ping Heng, Mr Yap Kim Chuan, Mr Kenny Yap Kim Lee, Mr Alvin Yap Ah Seng and Mr Andy Yap Ah Siong |
| Conflict of interest (including any competing business) | Nil | Nil |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes |



| Name of director | Ms Chew Mok Lee | Mr Yap Kok Cheng |
|---|---|---|
| Other Principal Commitments including Directorships | | |
| Past (for the last 5 years): | Nil | Nil |
| Present: | Director of Qian Hu Corporation Limited (listed on SGX) | Director of<br>• Qian Hu Corporation Limited (listed on SGX)<br>• Qian Hu Tat Leng Plastic Pte Ltd<br>• Qian Hu Aquarium and Pets (M) Sdn. Bhd.<br>• Qian Hu The Pet Family (M) Sdn. Bhd.<br>• Qian Hu Development Sdn. Bhd.<br>• Qian Hu Aquaculture (M) Sdn. Bhd.<br>• Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd<br>• Qian Hu Aquaculture (Hainan) Co., Ltd<br>• Qian Hu Marketing Co., Ltd.<br>• Thai Qian Hu Company Limited<br>• P.T. Qian Hu Joe Aquatic Indonesia |

**Information required**

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

| Name of director | Ms Chew Mok Lee | Mr Yap Kok Cheng |
|---|---|---|
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner? | No | No |

# Supplemental Information On Directors Seeking Re-election At The 26th Annual General Meeting

**[Pursuant to SGX-ST Listing Manual – Rule 720(6) and Appendix 7.4.1.]**

| | | |
|---|---|---|
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No |
| (c) Whether there is any unsatisfied judgment against him? | No | No |
| (d) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose? | No | No |
| (e) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach? | No | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part? | No | No |
| (g) Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No |
| (h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No |
| (i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity? | No | No |

# Supplemental Information On Directors Seeking Re-election At The 26th Annual General Meeting

**[Pursuant to SGX-ST Listing Manual – Rule 720(6) and Appendix 7.4.1.]**

| | | |
|---|---|---|
| (j) Whether he/she has ever, to his/her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: | | |
| (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No | No |
| (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No | No |
| (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No | No |
| (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, | No | No |
| in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust? | | |
| (k) Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No | No |



**QIAN HU CORPORATION LIMITED**
(Incorporated in the Republic of Singapore)
(Company Registration No. 199806124N)

# PROXY FORM

**IMPORTANT:**
1. A relevant intermediary may appoint more than two (2) proxies to attend the Annual General Meeting and vote (please see Note 3 for the definition of "**Relevant Intermediary**").
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them. CPFIS and SRS investors should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. CPFIS and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 21 March 2025.
3. Please read the notes to the Proxy Form.

*I/We ______________________ NRIC/Passport/Co. Registration No. ______________

of ______________________________________________

being *a member/members of **QIAN HU CORPORATION LIMITED** hereby appoint

| **Name** | **NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **(%)** |
| **Address** | | | |

and/or (delete as appropriate)

| **Name** | **NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **(%)** |
| **Address** | | | |

or failing the person, or either or both of the persons referred to above, the Chairman of the Annual General Meeting ("**AGM**") as *my/our *proxy/proxies to attend, speak or vote on *my/our behalf at the AGM of the Company to be held at No. 71 Jalan Lekar, Singapore 698950, on Thursday, 3 April 2025 at 11.00 a.m. and at any adjournment thereof.

*I/We have directed *my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies may vote or abstain from voting at *his/their discretion, as *he/they will on any other matters arising at the AGM and/or at any adjournment thereof.

Voting would be conducted by poll. Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.

| **No.** | **Resolutions Relating To:** | **For** | **Against** | **Abstain** |
|---|---|---|---|---|
| **AS ORDINARY BUSINESS** | | | | |
| 1 | Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024 | | | |
| 2 | Payment of proposed final dividend | | | |
| 3 | Re-election of Ms Chew Mok Lee as Director | | | |
| 4 | Re-election of Mr Yap Kok Cheng as Director | | | |
| 5 | Approval of Directors' fees | | | |
| 6 | Re-appointment of KPMG LLP as auditors | | | |
| **AS SPECIAL BUSINESS** | | | | |
| 7 | Authority to issue shares | | | |

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this ______________ day of ______________ 2025.

______________________________
Signature(s) of Member(s) or
Common Seal of Corporate Member

| **Total Number of Shares Held** |
|---|
| |

**IMPORTANT**
PLEASE READ NOTES OVERLEAF

*Fold and seal here*

**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
   Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
3. For any member who acts as a Relevant Intermediary pursuant to Section 181 of the Companies Act, 1967, who is either:
   a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   b) a person holding a capital markets services licence holder to provide under the Securities and Futures Act 2001 and who holds shares in that capacity; and
   c) Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

   A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
   The proxy need not be a member of the Company. Please note that if any of your shareholdings are not specified in the list provided by the intermediary to the Company, the Company may have the sole discretion to disallow the said participation of the said proxy at the forthcoming AGM.
   A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.
4. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:
   (a) If submitted by post, be lodged at the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896
   (b) If submitted electronically, be submitted via email to B.A.C.S. Private Limited at main@zicoholdings.com

   In either case, by 11.00 am on 31 March 2025, being no later than 72 hours before the time set for the AGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.
5. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
6. The Proxy Form must be signed by the appointer or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, 1967.

**General:**

The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if the member, being the appointer, is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 March 2025.

*Fold and seal here*

Affix
Postage
Stamp

**B.A.C.S. PRIVATE LIMITED**
Share Registrar for
**Qian Hu Corporation Limited**
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

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